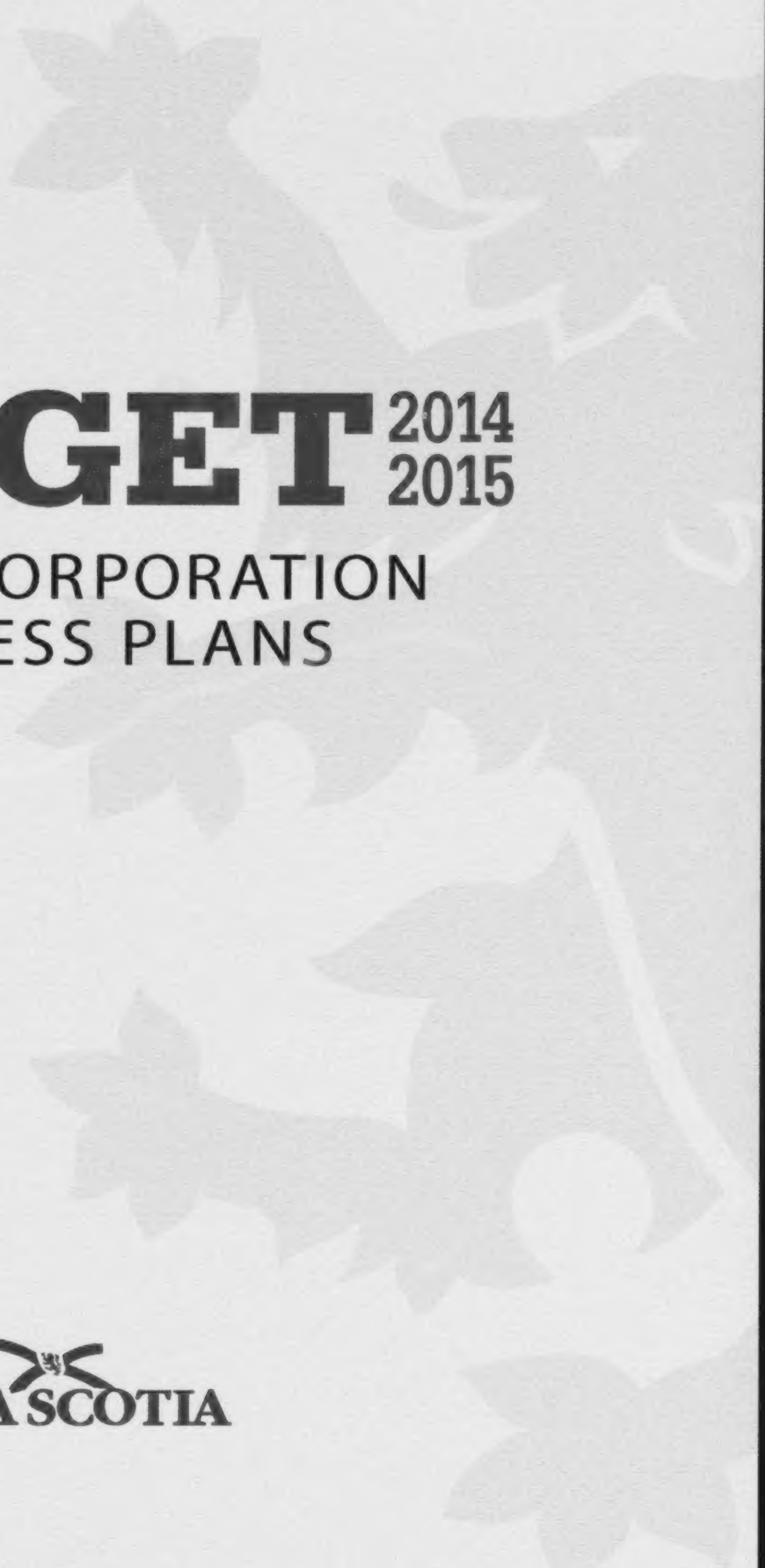
BUDGET 2014 2015

CROWN CORPORATION BUSINESS PLANS



NOVA SCOTIA

BUDGET 2014 2015

CROWN CORPORATION BUSINESS PLANS

NOVA SCOTIA

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Crown Corporation Business Plans

Crown corporation business plans are printed under authority of Section 73 of the Provincial Finance Act:

73 Commencing April 1, 1997, a Crown corporation shall annually

(a) submit to the House of Assembly for approval during consideration of the Estimates its business plan and any proposed public financing; and

(b) table in the House of Assembly audited financial statements for the preceding fiscal year

The public presentation, annually, of Crown corporation business plans will increase the accountability to the House of Assembly of organizations generally accepted to be in the public sector but outside the direct control of government. Business plans define key elements of Crown corporations such as their mission, strategic goals, and core functions as well as give indication of performance, priorities, outcome measures, and budgets.

Organizations included in this volume are designated as Crown corporations by their enabling legislation, by Order in Council, or by application of the criteria established under Section 70 (Crown Corporations) of the Provincial Finance Act.

The approval of business plans as required by clause (a) will be sought through the Estimates Resolutions. Compliance with clause (b) will be achieved throughout the fiscal year as audited financial statements become available.

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

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Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Art Gallery of Nova Scotia

Business Plan 2014–2015

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Message from the Chair of the Board of Governors

On behalf of the board of governors of the Art Gallery of Nova Scotia, I am pleased to present the gallery's business plan for the 2014–2015 fiscal year.

Incorporated in 1975, and with a history dating back to 1908, the AGNS has long ensured that the Crown's art collection was documented, shared, and communicated with citizens and preserved for future generations.

Atlantic Canada's largest art museum, the gallery is an anchor of cultural tourism in the province and the region. It welcomes Nova Scotians and visitors from around the world from January to December. Culture, including fine art, is essential to the well-being of individuals and societies, giving people throughout civilization opportunities to consider, reflect, and recharge.

In 2013–2014, the gallery faced a year of challenges and triumphs, including closures resulting from unexpected building repairs and the Mintz family gift of Annie Leibovitz photographs. The board of governors and staff look forward to the coming year, in which we continue to engage people with spectacular art through new acquisitions, expanded programs, and service improvements all Nova Scotians can enjoy.

This 2014–2015 business plan summarizes the gallery's priorities for the coming year, outlines measures to be taken, and summarizes our anticipated expenditures. It reflects the government's and the board's shared commitment to protect this important cultural asset and to develop and strengthen the Art Gallery of Nova Scotia for everyone to enjoy. It also continues the implementation of the board of governors' strategic plan for 2012–2017.

Our cultural heritage is a big part of what makes Nova Scotia unique. Though the heritage we share is immense and diverse, it is also distinctive, personal, and local. We have much to be proud of, much to share with each other, and much to show off to the rest of the world.

The board of governors is proud of the accomplishments of the Art Gallery of Nova Scotia and anticipates a successful year ahead.

Sincerely,

Robbie Shaw
Chair, Art Gallery of Nova Scotia Board of Governors

Mission

To engage people in an enhanced experience with art, through its professional collection, preservation, exhibition, and interpretation.

Our mission statement reflects our commitment to our audiences, to our collections, and to the standards of our profession. Engagement is at the core of this mission and at the core of our values as an institution.

Vision

The Art Gallery of Nova Scotia is a pre-eminent art museum with exceptional collections, exhibitions, education, and public programming. We are a hub of artistic and cultural energy and an inspiring resource for Nova Scotia and the world. With innovative approaches to engaging people, the Art Gallery of Nova Scotia is a gathering place to provide direct encounters with extraordinary works of art.

Mandate

The Art Gallery of Nova Scotia (AGNS) is an agency of the Province of Nova Scotia constituted under The Art Gallery of Nova Scotia Act for the acquisition, preservation, and exhibition of works of art.

Planning Context

The gallery is overseen by a board of governors appointed by Executive Council and made up of volunteers. The AGNS board assumes responsibility, loyalty, and a duty to uphold the integrity of the organization. The involvement of the AGNS board of governors is paramount in developing community awareness of the gallery's mission, in representing and interpreting the value of the AGNS to community, government, corporate, and other funding agencies. The board acknowledges the competency role as advocates and fundraisers for the activities of the Art Gallery of Nova Scotia.

The AGNS is the primary institution for the preservation and collection of visual art in Nova Scotia, and it is the largest art museum in Atlantic Canada, with a collection of over 17,000 artworks. We focus our collecting and exhibition activity on the art history of Nova Scotia, of our region, of the country and internationally in order to tell the story of how the art history of Nova Scotia fits into larger national and international contexts. The growing success of the annual Sobey Art Award, organized by the AGNS since the award's inception in 2002, puts us at the forefront of contemporary Canadian art. The AGNS serves a central role in presenting Nova Scotia's art to the country, Canadian contemporary art to wider audiences in Canada, and Canadian art to the world.

This past year was a very challenging one for the gallery, with the failure of both the sprinkler system and elevator and with the work on the Ondaatje Courtyard. The gallery's closure during the summer reduced its ability to serve Nova Scotians and, beyond that, to attract visitors and members, an important source of revenue for the institution. It reflected a building that is no longer adequate to ensure that the province's art collection is preserved and protected for future generations. The requirement for continuing maintenance of our buildings reinforces the need for a new facility.

Strategic Goals

In 2012, the gallery's board of governors prepared a strategic plan. The five strategic goals identified now form the basis of the gallery's ongoing planning:

1. Build a new home for the AGNS.
2. Enhance exhibitions and public programming.
3. Increase visitation and memberships.
4. Create an AGNS Foundation.
5. Continue to stabilize the AGNS operational and program funding.

Core Business Areas

The core business of the Art Gallery of Nova Scotia is the creation, accumulation, and dissemination of knowledge through the visual arts. The following five distinct core business areas are delivered through various functional areas in the gallery, both in Halifax and in our Western Branch.

Acquisitions

The AGNS acquires artworks for the permanent collection according to the mandate of the acquisition policy and the mission statement. The gallery maintains related library, film, website, video, and resource support materials, along with institutional archival records pertaining to collections, exhibitions, and institutional history.

Preservation

The AGNS ensures proper management of the collection through documentation, maintenance of records, and research. The Art Gallery of Nova Scotia strives to ensure that the Province of Nova Scotia's collection is preserved and maintained in an environment that meets museum standards, while conducting conservation and restoration treatments using accepted museum practices.

Exhibitions

The AGNS is committed to our mission of bringing art and people together. In addition to our annual Sobey Art Award exhibitions, the AGNS presents a wide range of art in our exhibition programs in Halifax, in Western Branch, and across Nova Scotia through our travelling exhibition and outreach programs.

We are committed to building audiences for art and have a three-part strategy for doing so. The first is the continued growth of the Sobey Art Award, Canada's premiere prize for contemporary art, administered by the Art Gallery of Nova Scotia since the award's inception in 2002. The second is focusing on the richness of our permanent collection, creating exhibitions that highlight the breadth and depth of the Crown's art collection and making it available on loan to institutions across the region, the country, and beyond our borders. The third part of our strategy is to build partnerships to broaden the reach of our art exhibitions, to tour exhibitions within the province, across the region, and throughout the country. To that end, we actively seek partnerships to ensure that our projects, most of which focus on the art of Nova Scotia and of Atlantic Canada, are seen by as many audiences as possible.

We are committed to raising the profile of this region's art activity across the country, to developing exhibitions that examine the work of individual artists, and to a publication program that does justice to their work. Thematic exhibitions that we develop are drawn almost exclusively from our permanent collection and serve to complement the solo exhibition projects on view and in development. Our objective is to be a leader in the advancement of knowledge and understanding of visual art, and in the fostering of the careers of Canadian artists, with a focus on artists based in this region.

Education and Public Programming

The AGNS has an ambitious education and public programming strategy that focuses on both on-site and outreach activities. On-site activities surround the support and the interpretation of our temporary exhibitions programming and of our permanent collection exhibitions. Offerings include special exhibitions, the development of in-house didactic material in exhibitions, daily guided public tours, early-childhood education programs, infant and toddler / parent programs, studio/gallery workshops for students and teachers, family programs, a large docent program in support of school visits, and the fostering of lifelong learning with a series of lectures, films, artist talks, and other educational activities, including access to archives, publications, and study materials. We are committed to increasing our provision of education materials and services in French, including bilingual labels and publications as well as programs such as guided tours, films, and lectures given in French.

Outreach activities involve many partnerships across the province that further our mission of bringing art and people together. We work with educational institutions, libraries, social service agencies, hospitals, and other community organizations in a wide array of programs.

Auxiliary Services

This core business area serves to encourage the public to visit the gallery and engage in the visual arts. The gallery provides auxiliary services that benefit visitors and members. Services include membership, volunteer programs, the Gallery Shop, facilities rentals, Art Sales and Rental (a related society housed in our premises), and a café.

The AGNS creates market awareness through various public relations tools and promotes membership to the public. Membership creates a sense of ownership, helping to recruit volunteers who assist the gallery in all aspects of its operations. We publish the AGNS Journal (a members' magazine), produce a monthly e-newsletter, and maintain an active online presence on our website, Facebook, and other social media.

Priorities for 2014–2015

1. Build a New Home for the AGNS

In a time of financial restraint, with many conflicting demands on the resources of taxpayers, we understand that the AGNS has to present a coherent plan for short-term mitigation of the risk factors to the collection as well as a long-term strategy that will move us forward with a building that lives up to the mandate granted to the AGNS. Nova Scotians have a right to expect that the art collection they own will be stored, preserved, researched, and exhibited in a manner that will ensure the long-term health of the collections and that will continue to provide opportunities for Nova Scotians and their visitors to enjoy the rich visual heritage found in this province and region. They also have a right to expect a clearly articulated, fiscally sound plan that describes how to responsibly respond to the physical shortcomings of the current building and to the risks inherent in not moving to address them.

In 2014–2015, the AGNS will continue to work with the Department of Transportation and Infrastructure Renewal to mitigate the existing unfavourable factors of the building while performing necessary groundwork toward our long-term goal of building a new home for Nova Scotia's remarkable art collections.

For 2014–2015, the gallery will focus its attention on the following four priorities in order to accomplish our goal.

Refine the case for support

Private support of this initiative is imperative if a new building is to become a reality. The AGNS will finalize a fully documented case for support that will become the investment prospectus for potential donors. This resource document will reveal the vision and specific funding challenges that must be met to realize its objectives.

The case for support must convey a clear vision addressing the specific needs of the AGNS and Nova Scotians. It must persuade prospective supporters that the new facility to house the collections of the AGNS is a goal worthy of their support. Success in this area will mean that the new building is funded in part other than from tax revenues, thus providing needed financial relief to Nova Scotians.

Develop an updated Report to the Community to raise awareness of the significance of the Art Gallery to Nova Scotian culture

Communicating to Nova Scotians why this process is necessary is vital to any hope of its success. There is a need for a highly personalized and targeted communications strategy to educate and cultivate the community's influencers and opinion leaders on a number of fronts, including the following:

- developing campaign materials from the outset, such as a Report to the Community, to raise awareness of the significance of the Art Gallery to Nova Scotian culture
- communicating the national reputation of the AGNS and the calibre of its collection

- outlining and explaining the vision for a new Art Gallery, the cost, and the proposed timeline
- communicating the shortcomings of the current facility for families and businesses in Nova Scotia
- communicating the dynamic role the AGNS plays in attracting and retaining qualified professionals across the business, education, and health sectors
- communicating the role the AGNS plays in the community's ability to attract new business with new employees who will settle in this area

Success in this area will mean that Nova Scotians are made more aware of the excellence of their Art Gallery and of its central role in the perception of Nova Scotia by the rest of the country, as well as its role in the vibrant culture of our communities.

Recruit a Strategic Prospect Engagement Team

Successfully engaging the private sector in raising funds for a new building is a vital component of the potential success of this initiative. If senior, influential, and committed philanthropists decide that this project is worthy of their support, it will become a reality. Having cultivated and secured a chair of the Strategic Prospect Engagement team, the gallery will continue to recruit community leaders to this team. With the assistance of key stakeholders, members, and influential friends, the chair will help identify, cultivate, and recruit a volunteer organization at the highest level.

Begin the process of strategic prospect engagement

This process will include providing coaching and orientation to volunteer leadership. The gallery will undertake prospect research and qualification. Top prospects will be identified, and a plan will be developed that includes cultivation strategies for each prospect.

2. Enhance Exhibitions and Public Programming

A key part of the mandate of the AGNS is to exhibit works of art; that is, to make them available to public view. Our mission of engaging people with art takes this to another level. It is our goal to engage Nova Scotians in a discussion about their collections and the vibrancy of the cultures in their communities, and to provide a model of excellence to inspire Nova Scotians to ever-greater achievements in the arts. Our regular program of exhibition and public programs, research, and outreach will be enhanced in 2014–2015 by two new initiatives that directly engage with Nova Scotia art and that provide multiple platforms for Nova Scotians to experience, engage with, and be educated about the range of cultural activity in this province.

For 2014–2015, the gallery will focus its attention on two priorities to accomplish our goal. We will promote accessibility to the permanent collection and develop a survey of Nova Scotian art.

Promote accessibility to the gallery's permanent collection

Building on the strength of the provincial art collection, the gallery will look to enhance its exhibition and public program offerings by highlighting key collections therein. With spotlight exhibitions and publications, the gallery seeks to build an audience for the works in the collection.

Central to this priority's success are the following:

- A handbook that illustrates the treasures of the provincial collection will be published.
- A new database and Collections Care plan is to be identified and developed to establish a long-term collections strategy including storage on and off-site.
- A significant push will be made in preparing for the exhibition of the Annie Leibovitz book collection. Included in this is the physical preparation of the works as well as lining up speakers, partners and ancillary programming to help contextualize this important photography collection.

Develop a "Survey of Nova Scotia Art" to be implemented in 2015–2016

Nova Scotia has a rich visual culture, one that finds expression in communities across the province. Nova Scotians rarely get to see the best of these expressions drawn together in a single exhibition that provides a snapshot of the current tenor of the arts in this province. The AGNS will create a survey of the Nova Scotia art to do just that. Through an open call, the gallery will solicit entries from artists working in Nova Scotia. Having established a jury of two curators from the AGNS and one from outside the country, the gallery will determine a working process, including a call for submission and review process. The survey will give Nova Scotians the opportunity to view works from every corner of the province and to take part in a series of conversations about contemporary art that will be supported by education programs, public events, and related activities.

3. Create Positive Visitor Experiences

A prime indicator of the importance placed by Nova Scotians on the activities of the AGNS is their direct engagement in those activities through visiting the gallery and purchasing memberships. In the coming fiscal year, the gallery will undertake activities designed to create an institutional culture that puts the visitor, and visitor services, at the forefront of our activities and planning in order to more fully deliver on our mission of "engaging people with art."

For fiscal 2014–2015, the gallery will focus its attention on the following four priorities in order to accomplish our goal.

Continue to use new technologies to better connect with our members and to reach out to potential new ones.

We will examine our existing membership policies and procedures to ensure that they reflect best practices in our approach. We will increase online transaction sales to an enhanced AGNS website, making it easier for Nova Scotians to become, and remain, members of the AGNS. We will also continue to target growth in social media through tools such as Facebook and Twitter.

Build on our successful school programs to reach even more Nova Scotia students

In 2013–2014, we piloted a professional development (PD) day program for children. This program will be expanded to all areas of HRM and the Western branch, exposing even more children to fine art.

Enhance marketing efforts to increase visitation

We believe that by better communicating our activities to Nova Scotians they will be more likely to visit the gallery to experience these activities for themselves. The gallery plans to measure the visitor experience with exit surveys and data extracted from website traffic.

Focus on the visitor and on our members through a renewed emphasis on volunteer recruitment and training, ensuring that the visitor experience is the best it can be

We will establish a dedicated Volunteer Committee of the board of governors to ensure growth in volunteer numbers, recruitment of qualified volunteers, training that will contribute to the overall guest experience, and consistency in volunteer recognition. We will also establish a Membership Task Force to revise membership categories to be reflective of today's gallery experience. The goal of this task force will be increasing memberships to the gallery and adding value to gallery membership.

Budget Context

	Budget 2013–14 ($)	Forecast 2013–14 ($)	Budget 2014–15 ($)
Revenues			
Operating	2,180,000	2,480,409	2,423,500
Development & fundraising	857,000	682,544	1,116,500
Programming recoveries	210,000	168,500	165,900
Educational recoveries	151,500	212,018	206,980
Western Branch	—	12,726	11,700
Gallery Shop	248,630	193,711	245,000
Acquisition fund	65,000	120,993	—
Endowment fund	105,000	314,650	140,750
Total revenue	**3,817,130**	**4,185,551**	**4,310,330**
Expenses			
Salaries and benefits	2,008,160	2,001,615	2,037,042
Administration	339,000	320,533	346,000
Building operations	27,500	96,274	10,050
Programming	507,400	525,236	840,710
Education programs	111,625	161,230	140,660
Communications & marketing	343,600	205,268	439,100
Western Branch	140,000	173,278	218,976
Gallery Shop	216,330	177,733	213,760
Acquisitions	80,000	143,695	10,000
Endowment fund	22,000	29,364	28,050
Total expenses	**3,795,615**	**3,834,226**	**4,284,348**
Revenue less expenses	21,515	351,325	25,982
Amortization of tangible capital assets	18,000	17,408	22,500
Annual surplus	**3,515**	**333,917**	**3,482**

Outcomes and Performance Measures

Core Business Area

Outcome	Measure	Target 2014–2015	Strategies to Achieve Targets
Build a new AGNS	Updated Report to the Community is prepared	Release report to the public by the end of April 2014	Develop and implement communication strategy
	Case for support document reflects the needs and ambitions of the AGNS	Final version of the case for support published and ratified at June 2014 AGM	Establish ad hoc committee of the board to steer the process Finalize case for support
	Strategic Prospect Engagement Team is recruited	Strategic Prospect Engagement Team in place by fall 2014	Pending approval of Executive Council, recruit high-profile community leaders to form part of this team. Recruit Strategic Prospect Engagement Team
Enhance exhibitions and public programming	A handbook that illustrates the treasures of the provincial collection will be published	Key works that illustrate the collection and source of funding for this initiative have been identified	Senior staff to identify key works Staff to identify champion for the project
	Online access for Nova Scotians to the collection	New database and collections care plan fully implemented	Collections care plan developed and implemented
	Survey of Nova Scotia Art in 2015–16	Long list of artists identified	Call for applications Review works Develop long list of artists with curatorial review panel
Create positive visitor experiences	Number of memberships, especially family memberships	1,215 memberships, a 4.5% increase over 2012–13 210 family memberships, an increase of 10.5% over 2012–13	Use new technologies to establish online sale of memberships
	Retention rate of memberships	Retain 60% of 2012–13 members	Examine existing membership policies and procedures Establish a Membership Task Force
	Attendance at school programs	3,850 students, a 10% increase over 2012–13	Establish a teachers' advisory council to ensure that this program meets teachers' and students' needs Work with curriculum experts to clarify how the collection and exhibitions fulfill expected outcomes
	Number of visitors	21,600 paid visitors, a 10% increase over 2012–13	Create a Volunteer Committee to improve training of volunteers in visitor service

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Halifax-Dartmouth Bridge Commission

operating as Halifax Harbour Bridges

Business Plan 2014–2015

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Message from the Chair and the CEO

We are pleased to present the 2014–2015 business plan for Halifax Harbour Bridges (HHB).

The board of commissioners and management of HHB are reviewing the governance structure to ensure the model enables the organization to continue to meet its mission of providing safe, efficient and reliable cross harbour transportation infrastructure at an appropriate cost.

The priorities in this business plan focus on ensuring the organization continues to:

- Conduct maintenance and capital projects to ensure the long term safety of the bridges and the traveling public. These projects are determined based on detailed annual inspections
- Minimize incidents from occuring and clearing them quickly when they do
- Continue to use traffic management systems to manage demand and promote electronic tolling
- Operate with strong and prudent fiscal management

Achieving these priorities over the next three years will see us focusing on the Macdonald Bridge suspended spans deck replacement project and minimizing the impact to the traveling public, neighbours and stakeholders during this project. The Macdonald Bridge remains safe but after 60 years the deck is wearing out and needs to be replaced, which will extend the life of the bridge and reduce maintenance.

In 2014–2015 a general contractor will be selected and fabrication of the deck panels will begin. We expect the first panel to be replaced in the first half of 2015 with the project taking 18 months to complete.

We will continue to identify ways to improve capacity utilization with the existing structures and focus on ways to increase electronic tolling (MACPASS) distribution.

We will maintain a strong financial position with a sound financial plan in place.

The bridges are vital transportation links and determining factors in the economic development of HRM and the region. We continue to work towards providing world-class innovative transportation solutions.

Wayne F. Mason
Chairman of the Board of Commissioners

Steve Snider
General Manager and CEO

Mission

To provide safe, efficient, and reliable cross-harbour transportation infrastructure at an appropriate cost.

Vision

To be recognized as world-class in the implementation of innovative transportation solutions.

Mandate

The Halifax-Dartmouth Bridge Commission (operating as Halifax Harbour Bridges, or HHB) is the self-supporting entity that operates and maintains two toll bridges: the Angus L. Macdonald Bridge and the A. Murray MacKay Bridge. HHB was created in 1950 by a statute of the Province of Nova Scotia and now operates under a statute passed in 2005.

The objectives of HHB are

1. to maintain and operate the Bridges and any other transportation project authorized by Section 27, and
2. to assess, market, license, implement, provide, maintain and integrate such electronic collection systems as are approved by the Governor in Council.

Core Values

The following values are the essential principles that guide Halifax Harbour Bridges as an organization:

Safety – a fundamental focus and shared responsibility

Stewardship – the protection and maintenance of our bridges

Customer service – focused on excellence

Respect – relationships are based on open, truthful, and professional communications

Community – engagement and support of our communities

Integrity – act with integrity, credibility and accountability

Engagement – focused on employee development and participation.

Leadership – competent, energetic , and focused

Planning Context

Organizational Structure

Reporting to the Minister of Finance of the Province of Nova Scotia, the Board of Commissioners for Halifax Harbour Bridges (HHB) has nine members: five are appointed by the Province of Nova Scotia, including the chair and vice chair; and four members are regional councillors, appointed by Halifax Regional Municipality. The board meets monthly to provide governance and direction.

There are also two standing committees: the governance and policy committee and the audit and finance committee.

There are 36 permanent staff, and HHB employs approximately 35 painters and 12 gardening staff seasonally. Fifty members of Commissionaires Nova Scotia (CNS) are under contract and provide operational services to HHB.

Strengths

- HHB has 59 years of experience maintaining and operating tolled suspension bridges.
- HHB has expertise in electronic toll collection.
- HHB focuses on the safety of employees, contractors, neighbours, and the traveling public.
- HHB is financially self-reliant. As a self-funding user-pay operation, HHB receives no funding from the provincial government.
- HHB is fiscally responsible, as demonstrated with a long-term issuer credit rating of AA- stable from S&P, a national rating agency.
- Through strategic capital investments and a comprehensive maintenance plan, the harbour bridges are two of the best maintained pieces of infrastructure in the province.
- MACPASS, HHB's electronic toll collection system, reduces toll plaza congestion and idling times to benefit the environment.

Weaknesses

- The bridges are reaching their mid-life. As they age, they become more expensive to maintain.
- Based on current traffic growth projections, the bridges are approaching full capacity. There is very little that can be done to HHB infrastructure to ease congestion.
- The potential for additional capacity on the two bridges is limited because of limited access and egress capacity. This is particularly the case on the Macdonald Bridge and the existing adjacent HRM road network.

Opportunities

- HHB continuously looks for ways to make crossing the bridges more efficient.
- HHB continues to take a leadership role in finding solutions to manage the demand for transportation.
- HHB continues to participate in the discussion of sustainable transportation in this region.
- Introduce communications to help the public better understand the long term plans of HHB and the role the public plays in minimizing incidents on the bridges.
- Broaden the application of MACPASS *Plus*, similar to the model used to park at the Stanfield International Airport.

Threats

- HHB is vulnerable to adverse economic developments that arise as a result of rising fuel costs or a downturn in the economy, which can have a negative impact on revenue.
- Ensuring the safety of the public and the bridges is of the utmost priority for HHB. HHB has implemented a state-of-the-art security system to help protect the bridges – two critical pieces of infrastructure in the province.

Strategic Goals

To achieve our vision, four key strategic goals guide HHB.

1. Quality and Standards

Our customers, communities and colleagues will recognize the high quality with which we safely and efficiently operate and maintain the bridges.

Objectives

- Improve safety for employees, contractors and users.
- Exceed standards for maintenance and operations.
- Reduce environmental impact

2. Recognition of Values

Customers will appreciate their experience crossing the bridges.

Objectives

- Decrease the frequency and impact of incidents on traffic.
- Increase quality of customer service.
- Improve active transportation.

3. Innovation

The public and government will recognize HHB as a leader in providing innovative transportation solutions.

Objectives

- Increase real time messaging to the public.
- Increase efficiency of toll collection.

4. Leadership

We will be leaders within the workplace and within our communities.

Objectives

- Build our leadership skills.
- Increase the level of employee engagement.

Core Business Areas

1. Maintenance and Engineering

Objective

To ensure that the bridges are structurally sound and well maintained.

Each year, the two harbour bridges undergo a rigorous inspection to identify maintenance requirements and to ensure that items from previous inspections are being addressed properly. The annual inspection report forms the basis of the three-year maintenance plan.

Focus for 2014–2015

Maintenance

MacKay

- MacKay Bridge resurfacing
- MacKay Bridge replacement of horizontal life lines (HLL) for bridge maintenance
- MacKay Bridge guardrail replacement

Engineering

- MacKay Bridge roadway lighting upgrade
- Macdonald Bridge suspended spans re-decking project

2. Innovative Tolling Solutions

Objectives

Maintain convenient and reliable passage by working with stakeholders to identify improvements, which will assist future capacity requirements.

Continue to actively market electronic toll collection (MACPASS) to decrease traffic congestion and accommodate future traffic growth.

Increase efficiency of toll collection.

Focus for 2014–15

- Conduct study on design of MacKay Bridge toll plaza to enhance safety and introduce efficiencies by optimizing lane configuration
- Replace the Macdonald Bridge centre-lane control hardware

3. Operational Safety and Emergency Preparedness

Objective

To ensure the safety and security of the travelling public and employees through ongoing reviews and implementation of HHB's policies, procedures and initiatives.

HHB ensures that the bridges are well maintained and in good condition for the safety of the traveling public. Safety measures include weather stations, mobile speed radar, ice detection sensors, around-the-clock bridge security and traffic enforcement, security cameras, emergency telephones on the Macdonald Bridge, dynamic message signs, and a dedicated sidewalk and bicycle lane on the Macdonald Bridge.

Focus for 2014–2015

- Expand dynamic-message sign program to include additional signs.
- Plan for delivering shuttle service during the Macdonald Bridge suspended spans redecking project.

Priorities for 2014–2015

Engineering

- MacKay Bridge roadway lighting upgrade
- Macdonald Bridge suspended spans redecking project

Maintenance

- MacKay Bridge resurfacing
- MacKay Bridge replacement of horizontal life lines
- MacKay Bridge replacement of guardrail

Workplace Safety

- Promote a safe and injury-free workplace
- Continue to develop HHB's safety culture

Operational Safety and Emergency Preparedness

- Expand dynamic-message sign program to include additional signs
- Plan for delivery of shuttle service during the Macdonald Bridge suspended spans re-decking project

Innovative Tolling Solutions

- Conduct study on design of MacKay Bridge toll plaza to enhance safety and introduce efficiencies by optimizing lane configuration
- Replace the Macdonald Bridge centre-lane control hardware

Communications

- Educate stakeholders about the project and how it will affect them:
- Affected stakeholders will believe their perspective has been taken into consideration during the planning phase of the project.
- The public will understand that this project is necessary to extend the life of the Macdonald Bridge and for the long-term safety of the travelling public.

Finance

- Carefully monitor expenditures for Macdonald Bridge suspended spans replacement project and manage within budget

Budget Context

	Budget 2013–14 ($)	Forecast 2013–14 ($)	Budget 2014–15 ($)
Revenue			
Toll revenue	32,900	31,800	31,900
Other rate charges	163	163	125
Investment & sundry income:			
Trust fund investments	329	302	386
Other	330	320	320
Investment income	70	135	70
Contributed capital contribution	65	0	0
Total revenue	**33,857**	**32,720**	**32,801**
Expenses			
Operating	6,838	6,550	7,593
Maintenance	4,594	3,980	4,003
Amortization	8,238	7,688	6,836
Debt servicing	2,372	2,352	2,166
Loss (profit) on disposal of property, plant, and equipment	60	25	60
Total expenses	**22,102**	**20,595**	**20,658**
Net operating income	**11,755**	**12,125**	**12,143**
Other comprehensive income	0	(95)	0
Comprehensive income	**11,755**	**12,030**	**12,143**

Capital requirements, 2014–2026

Year	Capital Requirement ($ millions)
2014–15	79.9*
2015–16	86.0*
2016–17	34.3*
2017–18	16.2
2018–19	3.6
2019–20	7.6
2020–21	2.6
2021–22	5.3
2022–23	9.5
2023–24	182.3**
2024–25	181.7**
2025–26	2.9
Total Capital 2015 to 2026	**611.9**

*Macdonald Bridge suspended spans re-decking.

**MacKay Bridge suspended spans re-decking.

Outcomes and Performance Measures

Priority Area 1 *Maintenance and engineering priorities for 2014–15*

Outcome	Measure/rationale	Base Year	Annual Target	Trends	Strategies to Achieve Target
MacKay: resurfacing outer lanes on suspended spans	Wear surface condition deteriorated; must complete before re-decking project Objective is to have no planned work on MacKay during the re-decking project	Historical information through HHB engineering department	Design 100% by April 2014 Construction 100% by September 2014	Initiate February 2014	Complete design Issue tender Award tender Schedule work in concert with HRM paving events Set-up to minimize disruption to travelling public Monitor progress
MacKay: New horizontal life lines (HLL) for bridge maintenance	Regulation compliance	Historical information through HHB engineering department	Review of regulations by March 2014 Design HLL by May 2014 Install 100%	Initiate February 2014	Complete design Issue tender/RFQ Award tender/RFQ Schedule work Monitor progress
MacKay roadway lighting upgrade	2009 speed study 2012 pole base non-destructive testing	Post-construction summary report RFP issues in 2013	Design 100% Construction 100%	No data	Complete design Issue tender Award tender Delivery of equipment Scheduling to avoid special events Set-up to minimize disruption to travelling public
Macdonald Bridge suspended spans redecking (the Big Lift)	Board approval in 2010	Scoping Study Preliminary engineering report	Award tender in Spring 2014	Proposal issue three months later than initial plan	Focus review of proposals to minimize duration Regular reporting to board Effective staffing and establish project management office Engagement of consultants Teambuilding with contractor

Priority Area 2 *Innovative tolling solutions priorities for 2014–2015*

Outcome	Measure/rationale	Base Year	Annual Target	Trends	Strategies to Achieve Target
Replace lane use signals and variable message signs at Macdonald (ALM) Bridge: some in advance of the ALM re-decking and some in conjunction with the re-decking project. Establish new temporary communication to the field devices so service can be maintained during the ALM re-decking project.	Aging equipment is no longer supported Equipment operational since 1998	2014	100% complete Full upgrade to equipment on road gantries on the approach spans in 2014, and new communications to all sites	New technologies are using more efficient LED signage	Complete a design specification for a request for proposals (RFP) in spring Issue and award RFP by end of spring Complete installation and testing of pre-re-decking installations by end of November 2014
Develop next generation of tolling at HHB A safer and more efficient tolling methodology will be decided while achieving cost efficiencies for the ongoing operations and maintenance of toll collection The methodology will have no impact on HHB's forecasted revenue	Aging infrastructure requiring significant maintenance Existing toll plazas are designed for stop-and-go traffic and not for the non-stop environment in which they currently operate with MACPASS.	2014	Plan completed in 2014	Current trends in tolling are to remove cash as a payment and move to an all-electronic toll (AET) model This is becoming common throughout the US and Canada (Vancouver, Montreal, Toronto)	Issue a request for proposals to acquire a consultant to assess and develop a strategic framework for the future of tolling at HHB

Priority Area 3 *Operational safety and emergency preparedness priorities for 2014–2015*

Outcome	Measure/rationale	Base Year	Annual Target	Trends	Strategies to Achieve Target
Commissioning and acceptance of new dynamic-message signs (DMS)	Operational deployment of 4–5 additional DMS for traffic management and public awareness	2013: 100% completion stage 1 0% implementation and commissioning	2014: 100% completion of DMS project	N/A	Finalize stage 1 objectives Post and award tender Manage implementation and commissioning phase Integrate new signs into existing protocols
Develop shuttle service delivery program for the Big Lift re-decking project	Fully operational shuttle service program for active transportation users of HHB facilities	2014: 50% project completion	2014: 100% completion of project planning phase 2015: implementation	N/A	Finalize property lease for shuttle drop off and pick up Tender for shuttle-related equipment Secure staffing Conduct route testing Develop shuttle schedules

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Innovacorp

Business Plan 2014–2015

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Message from the Minister, Chair, and CEO

Nova Scotia's start-up scene is incredibly vibrant. As the province's early-stage venture capital organization, Innovacorp sees the momentum building every day. The young, knowledge-based companies Innovacorp invests in and assists are innovative and globally competitive, and they create high-value jobs. These start-ups are vital to growing our economy.

Recently, Innovacorp hosted the provincial finals of the I-3 Technology Start-Up Competition, ending a five-month search to find the best start-ups in Nova Scotia. The competition attracted 228 submissions, which was a 60 per cent increase from the previous competition in 2011–2012. Nova Scotians once again demonstrated there is no shortage of innovation and entrepreneurship happening across the province, and Innovacorp is proud to play a significant role in enabling this dynamic entrepreneurial culture.

The Atlantic region is experiencing increased activity in the venture capital community and the incubation and acceleration of technology-based businesses. We are eager to help build on this momentum in the year ahead.

Innovacorp's 2014–2015 business plan focuses on the following priorities:

- Maximize the impact of the Nova Scotia First Fund.
- Optimize the value of Innovacorp's incubation facilities.
- Enhance Nova Scotia's start-up community.

Sincerely,

The Honourable Michel Samson
Minister of Economic and Rural Development and Tourism

Jacquelyn Thayer Scott, PhD
Board Chair, Innovacorp

Stephen Duff
President & CEO, Innovacorp

Mission

We support early-stage Nova Scotia knowledge-based companies through investment, incubation and expert advice.

Vision

We will accelerate the development of the knowledge-based economy in Nova Scotia.

Planning Context

Nova Scotia is a small economy, and its economic performance is strongly influenced by others. Forecasts suggest that worldwide economic growth is expected to be higher in 2014. Economic recovery has taken a firmer hold in Nova Scotia's traditional markets of the United States and Europe. Both the Canadian and Nova Scotia economies are expected to have stronger growth in 2014 than 2013. Export growth will be aided by recovery in American demand and depreciation of the Canadian dollar. The lower Canadian dollar makes Nova Scotia more attractive in terms of travel and locating business activity here.

In the government planning context, the release of the final report of the Nova Scotia Commission on Building Our New Economy (Ivany report), the independent reviews of provincial economic development assistance programs, and the government's response to the studies will affect economic development activity in Nova Scotia. At the time of preparing Innovacorp's 2014–2015 business plan, the full implication of what this means for our operations is not known. Therefore, this business plan is presented based on a status quo approach, which may change as we respond to the government's direction.

The Ivany report has outlined a series of recommendations, many of which align closely with Innovacorp's mission and vision. Specifically, opportunities in bolstering the start-up community, entrepreneurship, export orientation, green economic growth, immigration, and adding new value to the forest sector are all elements that are supported through Innovacorp's work.

For example, Innovacorp manages a clean-technology venture capital fund and seeks to make seed investments in early-stage clean-technology start-ups based in Nova Scotia. On the immigration front, in October 2013, Citizenship and Immigration Canada accredited Innovacorp as a designated business incubator under the federal Start-Up Visa Program, enabling us to help attract the best and brightest entrepreneurs from around the world. The proposed Innovacorp Demonstration Centre in Brooklyn looks to leverage the assets of the former Bowater Mersey mill for the forest economy of the future, helping innovative companies demonstrate and prove their value-adding forest technologies at a commercial scale. Indeed, the synergies between the Ivany report and recommendations and Innovacorp's work are striking.

Strategic Goal

Innovacorp's goal is to fuel sustainable economic growth by

- enabling Nova Scotia knowledge-based companies to accelerate the commercialization of their technologies and increase competitiveness in export markets, and
- helping to build a dynamic high-growth entrepreneurial culture in Nova Scotia.

Core Business Areas

Innovacorp is Nova Scotia's early-stage venture capital organization. Our goal is to help emerging Nova Scotia knowledge-based companies commercialize their technologies and succeed in the global marketplace. We are especially interested in the information technology, life sciences, clean technology, and oceans technology industries.

Early-stage investment is at the core of Innovacorp's business model, but the team offers more than just money. Innovacorp provides hands-on business advisory services, tailored to meet the unique — and evolving — needs of each of the promising technology companies in our portfolio. We also give entrepreneurs access to world-class incubation facilities and an international network of expert advisors.

In 2013–2014, Innovacorp made seed investments totalling $8.5 million in 11 promising technology companies, and these investments leveraged an additional $8.5 million in investment from other sources. We also invested $1.4 million as a limited partner (LP) in Build Ventures, the new regional venture capital fund targeting opportunities throughout Atlantic Canada. We continue to seek investment-grade opportunities in early-stage technology companies while managing investment capital to follow-on and support our existing portfolio companies in future investment rounds.

Innovacorp manages two incubation facilities. The Technology Innovation Centre in Dartmouth targets companies in a variety of technology sectors, and the Innovacorp Enterprise Centre on the Dalhousie campus in Halifax focuses on companies in the life sciences and clean-technology industries. The sites are premier destinations for early-stage technology companies. The facilities offer much more than just space and infrastructure. They offer an environment, a community. They also offer on-site support, flexible leasing, and corporate credibility — things emerging companies need to reduce costs, grow stronger and faster, and thereby increase their success.

We also manage a grow-out facility in Dartmouth, currently occupied by Royal DSM and Composites Atlantic.

In addition to our core business of investment, incubation, and expert advice, Innovacorp supports the start-up community and culture across the province. We do this in many ways, including the following:

- Through the Early Stage Commercialization Fund (ESCF), Innovacorp assists and supports the academic community (universities and colleges) in the pursuit of entrepreneurial opportunities. The program is used to review, advise, and support the early-stage technology commercialization of post-secondary institution research that has market potential. Since ESCF's inception in 2005, Innovacorp has provided over $2.8 million to 107 research projects. As of March 1, 2014, 34 projects remain active, 12 have licensed technology, and 20 spin-outs have been created.

- Innovacorp runs the provincial I-3 Technology Start-Up Competition every two years. The competition's goal is to find and support early-stage Nova Scotia knowledge-based companies and to encourage entrepreneurial activity across the province. The province is divided into five geographic zones to maximize community involvement, partner participation, and entrepreneur submissions. In 2013–2014, Innovacorp received a record-breaking 228 I-3 submissions from across Nova Scotia, a 60 per cent increase from the previous competition.
- Innovacorp regularly holds information-rich and networking gatherings for early-stage technology entrepreneurs. Our Business over Breakfast seminar series is particularly well attended, bringing together Innovacorp clients from across Nova Scotia, business professionals, industry representatives, students, and other key stakeholders. In addition, Innovacorp continues to run the TecSocial in Cape Breton and provides support to the Refresh group in the Annapolis Valley.
- Innovacorp, through financial and in-kind support (e.g., coordination, speaking, joint promotion), also contributes to many smaller industry-driven, entrepreneur-focused events such as Start-Up Weekends, DemoCamps, and Ladies Learning Code workshops.

Priorities for 2014–2015

In the upcoming year, Innovacorp will focus on the development and growth of globally competitive knowledge-based companies across the province by focusing on three priorities:

1. Maximize the impact of the Nova Scotia First Fund.
2. Optimize the value of Innovacorp's incubation facilities.
3. Enhance Nova Scotia's start-up community.

Maximize the impact of the Nova Scotia First Fund (NSFF)

Innovacorp's role as a seed and early-stage investor in Nova Scotia continues to be an important part of the province's economic development strategy.

Nova Scotia–based venture-grade companies continue to be undercapitalized compared to the Canadian and American averages. In 2012, according to Industry Canada's Q4 2012 Venture Capital Monitor, $37 million was invested in 25 companies, for an average of $1.5 million per company. According to Canada's Venture Capital & Private Equity Association (CVCA), the average amount of venture capital raised by all Canadian and American firms was $3.7 million and $8.4 million, respectively.

Venture capital activity in Nova Scotia increased significantly in 2012. The number of companies invested in increased by 213 per cent, from 8 to 25. Capital invested decreased by 23 per cent from $46 million to $37 million. It is important to note, however, that 65 per cent of Nova Scotia's 2011 investment was due to a single large transaction. Factoring out the impact of that transaction, venture investment in Nova Scotia increased by 131 per cent in 2012. Innovacorp was very active in 2012, investing $5.7 million in 12 companies, and continued this pace of investment in 2013–2014.

The young, knowledge-based companies Innovacorp invests in and assists are innovative and globally competitive, and they create good jobs. These start-up companies are vital to growing our economy. Venture capital is essential to successfully taking innovative products and services to market.

In 2014–2015, Innovacorp will

1. make 7–10 new and follow-on investments in early-stage Nova Scotia companies in the information technology, life sciences, and clean-technology sectors
2. seek co-investors to leverage NSFF investments and, where feasible, syndicate with partners from outside Nova Scotia to increase the pool of risk capital in Nova Scotia
3. actively manage our investment portfolio companies to accelerate their path to market and position them for growth, with the aim of achieving an appropriate risk-adjusted rate of return for the province

Optimize the value of Innovacorp's incubation facilities

As described above, Innovacorp manages two incubation facilities and a grow-out facility. We have also developed partnerships with other incubation facilities across the province to improve the support available to promising local early-stage entrepreneurs.

In 2014–2015, Innovacorp will

1. secure funds to fit-up remaining space at the Innovacorp Enterprise Centre
2. continue to enhance the infrastructure and services offered to clients at our facilities
3. maintain a targeted occupancy level of 85 per cent at the incubation facilities
4. implement Citizenship and Immigration Canada's Start-Up Visa Program to attract new innovative immigrant entrepreneurs to Nova Scotia

Enhance Nova Scotia's start-up community

Innovation and entrepreneurship are cornerstones of any long-term economic growth strategy. While entrepreneurs must take the lead in building the start-up community, Innovacorp has a significant role to play in helping to create a mature start-up culture and community in Nova Scotia. We achieve this through targeted events and initiatives, expanding our services to underserved parts of the province, and enabling and convening entrepreneurs and other stakeholders to create the necessary support activities.

In 2014–2015, Innovacorp will

1. identify and implement ways to improve our reach to rural Nova Scotia
2. run competition(s) to encourage, find, and support early-stage Nova Scotia knowledge-based companies, and provide follow-up assistance to participants from past competitions
3. enhance post-secondary research commercialization capacity through support for projects with market potential
4. work with post-secondary institutions and students to encourage entrepreneurship in the knowledge-based sectors, including assisting in the province's new sandbox initiative to leverage post-secondary space and other infrastructure to foster entrepreneurship and commercialization opportunities
5. continue to support entrepreneur-led initiatives that enhance the start-up ecosystem (e.g., Start-up Weekends, DemoCamp, PodCamp, PropelICT)

Performance Measures

This section outlines the performance measures Innovacorp will track in 2014–2015. Using 2011–2012 as a baseline, these economic impact and leading indicator metrics will provide an indication of Innovacorp's progress towards its strategic goals. The priorities and operational plan to achieve them are presented in this document under the section titled Priorities for 2014–2015.

In 2014–2015, Innovacorp will review and further strengthen its performance metrics to improve measurement of client progress in business-building capability, achieving scale and exit potential, and generating return on investment.

Measure	**Base Year 2011–12**	**Actual 2012–13**	**Actual 2013–14**	**Forecast 2014–15**
Economic Impact Metrics				
Revenue generated by portfolio companies: While most of Innovacorp's clients are early-stage companies, this measure tracks the annual revenue, in Canadian dollars, generated by current portfolio companies.	$26.2 million	$22.1 million	$25.2 million	$28 million
Employment generated by portfolio companies: This measure tracks the annual employment generated by current portfolio companies.	220	312	347	380
Total employment payroll of portfolio companies.	$9.7 million	$22.8 million	$25.7 million	$28 million
Amount of Nova Scotia First Fund (NSFF) leveraged investments: This is the cumulative amount (from February 1996) of investment made in NSFF portfolio companies, in Canadian dollars.	$115 million	$127 million	$141 million	$155 million

Measure	**Base Year 2011–12**	**Actual 2012–13**	**Actual 2013–14**	**Forecast 2014–15**
Leading Indicator Metrics				
Number of early-stage Nova Scotia companies Innovacorp engaged during the year.	108	130	163	170
In addition to the companies referenced above, Innovacorp provides value-added guidance to a number of companies that made submissions to the provincial I-3 competition.	142	0	228	0
Number of NSFF investments (excluding competitions).	8	10	11	10
Incubation occupancy levels	94%	96%	93%	85%
Percentage of portfolio clients exporting products/services internationally. On average, approximately 2.9% of Nova Scotia companies export internationally (from *A Profile of Canadian Exporters 1993–2006*).	80%	92%	60%	75%

Note: The metrics provided are based on information and estimates gathered from Innovacorp client companies.

Budget Context

Innovacorp is strongly committed to achieving its financial targets. To this end, the organization works with the Province of Nova Scotia and partner agencies to strategically leverage its assets in support of economic development initiatives.

	Estimate 2013–14 ($)	Forecast 2013–14 ($)	Estimate 2014–15 ($)
Revenues			
Provincial funding	7,472,000	8,277,000	7,472,000
NS funding recognized re capital assets acquired	102,000	102,000	109,000
Incubation	1,819,000	1,819,000	1,830,000
Investment	12,000	74,500	12,000
Total revenues	**9,405,000**	**10,272,500**	**9,423,000**
Expenses			
Incubation	3,594,000	3,914,000	3,914,000
Investment	2,836,000	3,278,500	2,353,000
Corporate services	1,823,000	1,823,000	1,995,000
Total expenses	**8,253,000**	**9,015,500**	**8,262,000**
EBITDA			
Provincial funding	7,472,000	8,277,000	7,472,000
NS funding recognized (deferred) re capital assets acquired	102,000	102,000	109,000
Incubation	(1,775,000)	(2,095,000)	(2,084,000)
Investment	(2,824,000)	(3,204,000)	(2,341,000)
Corporate services	(1,823,000)	(1,823,000)	(1,995,000)
Total EBITDA	**1,152,000**	**1,257,000**	**1,161,000**
Non-operating items			
NSFF total return	(401,000)	(447,000)	(361,000)
Post-retirement benefits & long-service award	(138,000)	(138,000)	(138,000)
Amortization	(459,000)	(459,000)	(484,000)
Interest Income (expense), dividends & capital gains (losses)	(295,000)	(97,000)	(319,000)
Total non-operating items	**(1,293,000)**	**(1,141,000)**	**(1,302,000)**
Surplus (deficit)	**(141,000)**	**116,000**	**(141,000)**

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Nova Scotia Business Incorporated

Business Plan 2014–2015

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Message from the Minister, the Chair, and the CEO

Nova Scotia does business in a global economy where industries are changing, technology is evolving, sectors are developing, and trading patterns are shifting.

We know that amid this change Nova Scotia's economic growth depends on more trade and more investment. That is why NSBI's work in its core business areas — trade development, investment attraction, business financing, and venture capital — is important for the province as a whole.

NSBI's ability to provide value to our private sector clients and contribute to the economic growth of Nova Scotia continues to be rooted in driving net new activity to the province by emphasizing new foreign direct investment (FDI) and maximizing international trade opportunities.

In 2013–2014, the province, NSBI, Nova Scotia Community College, universities, and IBM worked together to grow IBM's business here. Workers in Halifax and in Sydney are now employed with IBM, and our graduates will have more access to the benefits of partnership with this company. The academic partners and IBM are developing new curricula, gearing up new R&D projects, and putting new technology investment from IBM into our post-secondary institutions.

NSBI's clients, like IBM, are doing export-intensive, highly productive work that creates opportunities for supplier development through strategic partnerships and joint ventures with local companies.

NSBI's 2014–2015 business plan supports the creation of a competitive economic environment focused on sector development and business growth in Nova Scotia.

To achieve this, NSBI will continue to be driven by the following five key strategic pillars, which are defined in this business plan:

1. Results and Impact
2. Clients Success
3. People
4. Operational Effectiveness
5. Engagement

In collaboration with our partners, NSBI continues to work directly with businesses to help them compete successfully at home and around the world and support sustainable economic growth in Nova Scotia.

Sincerely,

The Hon. Michel P. Samson
Minister of Economic and Rural Development and Tourism

Janice Stairs
Chair of the Board, Nova Scotia Business Inc.

Ron Smith
Interim CEO, Nova Scotia Business Inc.

Mission

Through business development, NSBI drives a strong, prosperous, and globally competitive Nova Scotia.

Vision

To proactively deliver business development solutions that drive value to our clients and contribute to the economic growth of Nova Scotia.

NSBI will focus its resources to ensure that Nova Scotia companies are competitive on a national and international stage and are able to expand into new markets and that Nova Scotia is competitive as a jurisdiction in which to do business.

Values

Professionalism – We conduct ourselves in accordance with the highest standards.

Excellence – We strive to achieve and deliver the highest quality in everything we do.

Accountability – We establish specific goals and are transparent.

Creativity – We are adaptable and seek to be innovative.

Mandate

Created in 2001, NSBI is the lead business development agency for the Province of Nova Scotia. In conjunction with various partners, NSBI brings Nova Scotia businesses to the world and attracts global investment to Nova Scotia.

The Nova Scotia Business Incorporated Act requires the corporation to fulfill the following:

The object of the Corporation is to promote economic development in the Province through

(a) business development, retention and expansion,

(b) the establishment of new businesses in the Province, and

(c) trade development and expansion,

in accordance with strategic directions established by the Department and the strategic plan of the Corporation. 2000, c. 30, s. 15.

As such, NSBI works with the Departments of Economic and Rural Development and Tourism (ERDT), Labour and Advanced Education, and other partners to provide programs and services that support businesses — large and small — across the province.

To deliver on our mandate, NSBI, working with our partners, is committed to

- working with businesses in Nova Scotia to showcase their products and services in a global marketplace and to increase export activity
- supporting the growth and development of sectors

- supporting the creation of employment for Nova Scotia's highly skilled workforce, youth, and immigrants
- helping regions prepare themselves to support the growth of their local companies and attract the right type of investments
- assisting Nova Scotia businesses in becoming more productive, innovative, competitive, and profitable
- proactively targeting companies that fit with Nova Scotia's value proposition, and leveraging all available tools to support these companies in locating in Nova Scotia
- being the first point of contact for export-oriented commercial entities requiring business financing for retention and expansion

Core Business Areas

NSBI's core client-facing business functions (Investment Attraction, Trade Development, Venture Capital, and Business Financing) are proactively focused on business development. These divisions work in concert with corporate-wide teams — which include Corporate Strategy and Intelligence, Marketing and Communications, Human Resources, Corporate Services, and Corporate Office — to achieve NSBI's goal of bringing Nova Scotia businesses to the world and attracting global investment to Nova Scotia.

Investment Attraction

The NSBI Investment Attraction team comprises sector-focused business development professionals who work to attract sustainable, export-oriented, value-added business investment to the province.

Using a proactive approach, these business development professionals promote the competitive advantages of doing business in Nova Scotia on the global stage. The team targets companies in specific sub-sectors and markets that fit with the province's unique strengths, and differentiators, which together make up Nova Scotia's value proposition. The approach is about seeking mutually beneficial relationships with companies that can operate profitably in Nova Scotia, and Nova Scotia can realize the benefits of good corporate citizens, new investment, and increased payroll.

The Investment Attraction team leverages other relevant provincial and federal economic development offerings to deliver the ideal client solution and to remain competitive with other jurisdictions. They work directly with federal, provincial, and municipal government partners to attract inward investment to Nova Scotia. NSBI's Investment Attraction team acts as the project lead and the point of contact for potential investors.

For Nova Scotia to be competitive in the global pursuit of investment, incentives are offered to potential investors to enhance the business case of operating in Nova Scotia. One such incentive is the payroll rebate, a performance-based incentive offered to eligible companies expanding in, or locating to, Nova Scotia (see Appendix 1).

Trade Development

NSBI's trade development team focuses on helping Nova Scotia companies be more competitive globally. Organized by sector, with geographic sub-specialties, the trade development team works with businesses, universities, and other institutions throughout the province that have exportable products, services, or technologies, or a need for sourcing external capital or inputs.

Partnering with provincial and federal government departments, agencies, and industry associations, NSBI's trade development team are experts at taking companies, universities, and other institutions to global markets to meet with potential buyers, partners, or suppliers. This work is done primarily by leading delegations on international trade missions or to trade shows, and through providing assistance through NSBI's Export Prospector program or the provincial government programs we administer, such as the Go-Ahead program and the new Global Business Accelerator program.

Equally important is the role that our trade team plays in working with companies across the province to help them become better prepared to trade internationally. Our trade development executives work with companies of all sizes, and at all stages of the international business development journey, on items such as product development/ adaptation for specific markets, pricing, packaging, required certifications, market entry strategies, and with the assistance of our Trade Market Intelligence (TMI) service, market diversification strategies and targeting. Particularly important is the work that NSBI does with companies that are new to international trade, as we aim to increase the number of businesses in the province that are trading outside our borders and to create more prosperity in all regions of our province.

Venture Capital

NSBI venture capital actively invests in companies that have a sustainable competitive advantage, truly disruptive technology, strong management, and measurable sales based on high-growth revenue models. The venture capital team provides capital, strategic direction, and advice to help promising Nova Scotia companies achieve their full potential and provide a return on investment. NSBI's venture capital practice is a complement to Innovacorp investments and offers a continuum of investment for innovative companies that have demonstrated potential for further growth.

NSBI's venture capital group currently manages over $58 million in allocated capital across 12 companies. The NSBI venture capital fund provides investments from $1 million to $15 million with co-investors to help companies throughout the province further business growth, product development, and market expansion. NSBI's venture capital's strategic investment focus is in mid- to late-stage firms in technology-heavy industries.

Business Financing

The NSBI Business Financing group uses its knowledge of local industries and financing options to assist Nova Scotia companies in accessing capital required to meet their growth potential. The group accomplishes this goal by providing facilitation services, incentives, and direct access to capital to assist clients focused on export, competitiveness, productivity, growth, and expansion. Direct access solutions may include loans, guarantees, and trade-related financing. Incentives are provided through payroll rebates (see Appendix 1) to companies in Nova Scotia.

NSBI financing is designed to supplement other financing options available in the marketplace that might not fully meet the needs of companies. Trade financing helps Nova Scotia companies deliver on international trade-related opportunities. Payroll rebates offered by business financing are used to incent incremental growth of Nova Scotia–owned companies and to maintain and support companies in priority sectors.

Planning Context

Global Economic Environment

Nova Scotia is a small economy, and its economic performance is strongly influenced by others. Forecasts suggest that world-wide economic growth is expected to be higher in 2014. Economic recovery has taken a firmer hold in Nova Scotia's traditional markets of the United States and Europe. Both the Canadian and Nova Scotian economies are expected to have stronger growth in 2014 than 2013. Export growth will be aided by recovery in American demand and depreciation of the Canadian dollar. The lower Canadian dollar makes Nova Scotia more attractive in terms of travel and locating business activity here.

Within the government planning context, the release of the Nova Scotia Commission on Building Our New Economy (Ivany Commission) and the independent review of provincial economic development assistance programs, and the government's response, will impact economic development in Nova Scotia. At the time of writing, the full implication of what this means for Nova Scotia Business Inc. is not known. As a result, this business plan is based on the status quo, which may change as more information becomes available.

Strategic Goals and Objectives

NSBI's ability to deliver value to its clients and contribute to the economic growth of Nova Scotia continues to be rooted in driving net new activity in the province. We will achieve this by attracting new foreign direct investment (FDI), helping Nova Scotia companies export, and providing loans and venture capital to companies positioned for growth in our province. In order for NSBI to deliver on its mandate and achieve its strategic goals, we continue to focus on the following five key strategic pillars: Results and Impact, Clients Success, People, Operational Effectiveness, and Engagement.

For 2014–2015, NSBI has outlined the following objectives under each pillar, which enable us to deliver on our strategic goals.

Results and Impact

Through our core business areas, NSBI continues to focus on driving net new activity by strategically identifying and targeting opportunities to attract new, and expand existing, companies and sectors. Using a scorecard, NSBI measures the effectiveness and success of our core business units in creating net new activity. Each unit's goals can be found below, and a detailed chart can be found later in the document.

Investment Attraction

Outcome	Measure	2014–15 Targets
Client investment in Nova Scotia (net new investment to the province)	# of projects completed by Investment Attraction clients	12
Economic benefit to Nova Scotia (payroll)	Average gross salary of new jobs forecasted to be created by Investment Attraction clients	$45,000
Fiscally prudent incentive	Ratio of expected tax revenue to expected payroll generation	30% or greater

Trade Development

Outcome	Measure	2014–15 Targets
New exporters in Nova Scotia	# of new clients reporting their first export sale	20
Market penetration and diversification	# of clients introduced to new markets or further advanced in existing markets	375 clients
Increased export sales	Client-reported actual and forecasted export sales	$300 million

Venture Capital

Outcome	Measure	2014–15 Targets
Incremental equity investment	# of Venture Capital projects authorized	3
Positive portfolio investment growth	Year over year portfolio valuation growth	1%
Positive return on investment to the province	# of new external strategic partnerships into NSBI's portfolio	4

Business Financing

Outcome	Measure	2014–15 Targets
Incremental value investment projects	# of Business Financing projects authorized and material facilitation services provided	15
Assistance with access to capital	# of clients served through the NSBI Business Financing referral process	175
Partner for financing solutions	Leverage of partner/client : NSBI ratio	Ratio of 0.5 to 1.0
Net economic benefit to Nova Scotia (loan interest and tax revenue)	Ratio of net economic benefit to province vs. write offs	TBD

In addition to the core business unit goals that are measured in the scorecard, NSBI will also deliver against other objectives that support the Results and Impact pillar and allow us to fulfill our mandate.

For 2014–2015, NSBI will focus on the following key areas:

- Review and enhance NSBI's incentives and financing tools to ensure that they effectively support developing sectors such as clean technology, life science, and oceans technology.
- Implement NSBI's investment readiness initiative with community partners to better define Nova Scotia's strategic assets, enhance the provincial value proposition, and identify potential investment and expansion targets in rural Nova Scotia.
- Deliver export-focused training to Nova Scotia companies and institutions that want to increase their knowledge of how to conduct business internationally through the Forum for International Trade Training (FITT) courses.
- Support the creation of regional labour market profiles by working with municipal and provincial government partners. These profiles will be used by international businesses considering a location in Nova Scotia and domestic companies to determine how Nova Scotia's talented workforce can support their future growth.
- Review and enhance NSBI's incentives and financing tools to ensure that they effectively support small and medium-sized businesses. For example, see Appendix 2: Management Development and Support Program.

Client Success

To NSBI, client success means delivering the most effective client solutions that enable the private sector to achieve their objectives, in turn providing economic benefits to Nova Scotia. With slow economic growth and increased competition for investment, it is crucial for NSBI to work with the private sector and partners to identify and maximize the impact of key economic growth projects, contracts, and clients.

For 2014–2015, NSBI will focus on the following key areas:

- Provide market preparedness sessions to companies engaging in trade development activities.
- Create a business referral network that facilitates connections with key partners and companies and ensures that clients are aware of all support available to help them grow.
- Engage clients strategically to support their business development efforts, through participation in key events.
- Deliver and analyze client satisfaction surveys to help refine the account management system.
- Enhance our customer relationship management software to ensure we have a clear, accurate, and single-source view of intelligence about our clients so we can better support them.

People

This year, NSBI will be affected by a change in executive leadership, with the departure of the organization's CEO in 2013–2014. As a result, the objectives outlined within the People pillar are focused on providing employees with the skills, information, and framework necessary to assist this organization throughout the transition and to remain a responsive, integrated, and accountable organization.

For 2014–2015, NSBI will focus on the following key areas:

- Provide leadership development opportunities to NSBI's senior management team (SMT) to assist the organization and its employees throughout the CEO transition.
- Improve the Performance Management system to ensure alignment between organizational goals and objectives and employees' day-to-day work.
- Refine and implement an employee engagement survey to reveal ways in which we can increase employee engagement to assist us in delivering on our mandate.
- Review and analyze the current compensation and classification strategy to ensure that the program will achieve our employee and organizational goals.

Operational Effectiveness

In 2014–2015, NSBI will continue to develop a culture of continuous improvement. We will focus on projects that allow NSBI to more effectively collaborate to minimize duplication of effort and resources and review internal processes that allow us to maximize our impact.

For 2014–2015, NSBI will focus on the following key areas:

- Refine and review how sector teams operate, define success, and identify opportunities to influence change, encourage growth, and overcome obstacles.
- Conduct post-transaction reviews to ensure that the transaction process is conducive to business needs and to determine if further process improvements are required.
- Continue to develop projects that involve sharing of information between government and economic development partners.
- Review and update all performance measures in the Corporate Scorecard to ensure that best practice measures are being used, and increase clarity as needed.

Engagement

NSBI will continue to enhance engagement initiatives, such as ConnectNS and Investment Readiness, as well as to seek new opportunities to drive success under this pillar. These initiatives enable NSBI to collaborate with partners and the private sector to identify and leverage opportunities. Our collective strength improves NSBI's organizational capacity and enhances our ability to support business.

For 2014–2015, NSBI will focus on the following key areas:

- Build on the success of the private-sector-based initiative, ConnectNS, by implementing LeaderConnect 2014 to provide local Nova Scotia companies with the opportunity to connect directly with a ConnectNS leader.
- Work with our economic development and municipal partners to facilitate the development of the Regional Enterprise Networks (RENs) and their work with business.
- Develop and implement the investment readiness initiative, which builds capacity within communities and provides tools and templates that enable regional economic development. This initiative better links NSBI's business development efforts to all regions across Nova Scotia.

Budget Context

By absorbing inflationary pressures and operating with a reduced operating budget, NSBI must continue to find efficiencies so that results are not negatively affected.

Revenue	Budget 2013–14 ($000)	Forecast 2013–14 ($) ($000)	Estimate 2014–15 ($) ($000)
Provincial grants:			
Operating grant	9,924	9,924	10,017
Strategic investment funds	10,000	8,350	8,509
Loan valuation allowance	2,446	2,446	2,420
Gain on sale of properties	109	383	1,123
Capital/revaluation gain (loss)	0	5,573	1,630
NS Business Fund revenue: loans & equity	3,351	2,586	2,959
NS Business Fund revenue: real properties	389	428	662
Misc. revenue	2,422	3,122	2,639
Total revenue	**28,641**	**32,811**	**29,958**
Expenses			
Operating expenses	12,345	13,046	12,655
Strategic investments expenses	10,000	8,350	8,509
Provision for credit losses	2,446	6,560	2,637
NS Business Fund expenses: real properties	841	854	3,289
NS Business Fund expenses: loans & equity	2,639	2,372	2,094
Total expenses	**28,272**	**31,182**	**29,184**
Surplus (deficit) of revenue over expenses	**369**	**1,629**	**774**

Outcomes and Performance Measures

NSBI holds itself to the highest standards of corporate governance and accountability. As a results-driven organization, NSBI remains committed to measuring results that directly affect the goals of the organization. Under its five-year plan and using NSBI's five strategic pillars, the following key accountability metrics have been built.

Outcomes and Performance Measures

Investment Attraction: *Attract and retain leading-edge, sustainable business investment*

Outcome	Measure	2014–15 Targets	Trends	Strategies to Achieve Target
Client investment in Nova Scotia (net new investment to the province)	# of projects committed by Investment Attraction clients	12	2008–09: 10 2009–10: 13 2010–11: 7 2011–12: 10 2012–13: 10 2013–14F: 10	Seek new sustainable businesses to relocate or expand in Nova Scotia
Economic benefit to Nova Scotia (payroll)	Average gross salary of new jobs forecast to be created by Investment Attraction clients[1]	$45,000	2008–09: $48,117 2009–10: $44,071 2010–11: $51,316 2011–12: $44,938 2012–13: $57,603 2013–14F: $45,000	Attract and retain sustainable, export-oriented, value-added business investment
Fiscally prudent incentive	Ratio of expected tax revenue to expected payroll generation[2,3]	30% or greater	2008–09: 70.1% 2009–10: 56.9% 2010–11: 47.9% 2011–12: 50% 2012–13: 54.9% 2013–14F: 32%	Strategic use of payroll rebates to establish growth industries

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[1] Average gross salary includes employee gross salary plus employer-paid benefits.

[2] Ratio of expected tax revenue to expected payroll generation is calculated by this formula: *(maximum forecast direct tax recoveries — maximum forecast payroll rebate payout) ÷ maximum forecast payroll rebate payout.*

[3] Excludes expected return from all Project Management deals.

Trade Development: *Promote the growth of new and existing businesses in Nova Scotia by enabling them to succeed with business opportunities in both domestic and international markets*

Outcome	Measure	2014–15 Targets	Trends	Strategies to Achieve Target
New exporters in Nova Scotia	# of new clients reporting their first export sale	20	2011–12: 31 2012–13: 46 2013–14F: 35	Work with ERDT and other partners to engage companies not taking full advantage of international commerce
Market penetration and diversification	# of clients introduced to new markets or further advanced in existing markets	375 clients	2008–09: 269 2009–10: 287 2010–11: 326 2011–12: 441 2012–13: 501 2013–14F: 350	Deliver tailored trade development services, including trade market intelligence
Increased export sales	Client-reported actual and forecasted export sales	$300 million	2008–09: $155.7 million 2009–10: $132.9 million 2010–11: $140.3 million 2011–12: $318 million 2012–13 $417.9 million 2013–14F $325 million	Work with clients to focus on highest-potential markets and opportunities

Venture Capital: *Provide access to capital for promising Nova Scotia companies to help them achieve their full potential*

Outcome	Measure	2014–15 Targets	Trends	Strategies to Achieve Target
Incremental equity investment	# of Venture Capital projects authorized[1]	3	2008–09: 5 2009–10: 4 2010–11: 4 2011–12: 6 2012–13: 4 2013–14F: 2	Deliver tailored equity financing solutions
Positive portfolio investment growth	Year over year portfolio valuation growth	1%	2012–13: 1.1% 2013–14F: 1%	Provide capital, strategic direction, and advice to help companies achieve their full potential
Positive return on investment to the province	# of new external strategic partnerships into NSBI's portfolio[2]	4	2012–13: 4 2013–14F: 4	Provide capital, strategic direction, and advice to help companies achieve their full potential and provide a return on the invested capital

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[1] This measurement included both new investments and follow-on investments for existing clients.

[2] Significant external investors to one of NSBI's portfolio companies include partners who invest significantly into a NSBI and also partners that create new opportunities — such as access to new markets, new technological synergies, or supply chain access — that have a significant positive impact on the portfolio company operation.

Business Financing: *Provide access to capital for new/existing businesses in Nova Scotia, with the intent of enhancing value-added growth for the province's economy*

Outcome	Measure	2014–15 Targets	Trends	Strategies to Achieve Target
Incremental value investment projects	# of Business Financing projects authorized and material facilitation services provided[1]	15	2008–09: 8 2009–10: 14 2010–11: 17 2011–12: 6 2012–13: 6 2013–14F: 12	Deliver on the Business Financing group's 3-pillar service model by providing facilitation services, incentives, and direct access to capital for our clients
Assistance with access to capital	# of clients served through the NSBI Business Financing referral service[2]	175	2013–14F: 150	Successfully function as the province's front-end service provider for financial assistance requests
Partner for financing solutions	Leverage partner/client : NSBI ratio	Ratio of 0.5 to 1.0	2008–09: 1.33 2009–10: 1.02 2010–11: 0.35 2011–12: 0.5 2012–13: 0.87 2013–14F: 1.1	Maintain co-investment philosophy
Net economic benefit to Nova Scotia (loan interest and tax revenue)	Ratio of net economic benefit to province vs. write offs[3]	TBD	TBD	Implement the Management Development and Support Initiative

1. This measure has been enhanced with the addition of material facilitation services.

2. This measure is new for 2014–15 and is documenting the work the Business Financing unit does referring potential clients to other partners and programs.

3. Ratio of net economic benefit to province vs. write offs is calculated by this formula: *(interest revenue + tax revenue generated from payroll) ÷ write offs.*

Appendix 1

Strategic Investment Funds Pursuant to NSBI Regulations

Policies and Guidelines/Procedures, NSBI 2014–2015 Business Plan

	Payroll Rebate
Overview	The Payroll Rebate is a discretionary, non-entitlement tool intended to promote targeted payroll generation and maintenance or creation of employment. This financial incentive may be used when it can be shown that an applicant's project generates an economic benefit to the province, which may include export development, investment in the province, or improved competitiveness of existing businesses, in one or more of the province's key economic sectors.
Amount	Rebates will be equivalent to between 5% and 10% of the applicant's gross payroll, depending on the applicant's strategic location or business sector and the economic benefit generated to the province. Additional rebate may be considered where the applicant is hiring individuals with specific skills or experience, new members of the Nova Scotia workforce or is increasing export activity. All other Nova Scotia provincial government assistance with respect to the project must be disclosed and may influence the rebate amount.
Eligibility	The applicant's business must be considered eligible according to NSBI's operating Regulations. Applications for assistance must be project-based. Projects are expected to create or maintain sustainable long-term employment. Cyclical peaks in employment will not be considered for assistance. By undertaking projects to improve their competitiveness or increase activity in export markets through either productivity improvements or investments in product development, companies may be eligible for a payroll rebate to maintain operations and payroll. Eligibility requires that all projects should result in the maintenance or creation of at least 20 jobs (FTEs) in Nova Scotia. Projects creating or retaining fewer than 20 FTEs will be considered when there is high strategic value or strong economic benefit. Companies that have previously received assistance under the program will not be eligible for additional assistance unless the project is either incremental to the peak FTE level attained by the company under the previously provided assistance or it encourages private investment and contributes to sector development. Projects that are considered to be competitively harmful to existing Nova Scotia business will not be considered. The Applicant will collect and remit employee payroll taxes in accordance with the Income Tax Act (Canada).
Application Requirements	Historical and/or projected financial statements of the company and any additional financial information that may be required by NSBI to assess the financial viability of the company. Acceptable reports providing information with respect to the company's ownership, management, products, markets, and suppliers sufficient for NSBI to complete an evaluation of the company's operating risk. Project plan, which may include project timelines, budgets, and anticipated impacts of the project on the company's competitiveness.

	Payroll Rebate
Criteria	The company and the project must have reasonable prospects (business plan) for continued growth and success. The company should be profitable, with a proven track record. In addition, the project should be mainly export oriented and/or be in a strategic economic sector. The company must also demonstrate: • strong management (corporate and local) • compliance with Environment Act, Occupational Health and Safety and Labour Standards Code (if already established in Nova Scotia) • economic benefit to the province (e.g., estimated number of jobs created/retained, linkages with other sectors, improved competitiveness, non-competition with Nova Scotia industries, import substitution) • an acceptable credit history
Performance Conditions	Assistance is contingent on specific targets the company must achieve, which will typically be the creation or maintenance of (x) jobs by (date) with an average annual salary/wage of $ (amount). These targets are expected to still be in place at the end of the rebate period. Companies may be required to achieve additional targets with respect to project completion including investment or export targets. The applicant must provide an annual report, which will typically be an auditor's report, certifying that the employment, wage and other targets have been achieved. The report must contain the following information: • Incremental and/or maintained gross wage or payroll bill (including benefits) and the number of incremental and/or maintained employees and hours worked according to the Company's records on each anniversary date from the project commencement; • Gross wage or payroll bill (including benefits) and the total number of employees of the company on each anniversary date from the project commencement; • Incremental and/or maintained employees province of residence; and • Applicable export, investment and project details.
Payment Terms	Rebates will be paid following provision by the company of all information required by NSBI to verify compliance with the terms and conditions of the payroll rebate agreement. In most cases, rebates will be paid annually on each anniversary from the project commencement; Payment term generally average five years.

	Management Development and Support
Overview	Management Development and Support is a discretionary, non-entitlement tool intended to assist Nova Scotia small and medium-sized businesses in addressing deficiencies in management capabilities, especially with respect to financial and operations management. Many small and medium-sized businesses have deficiencies in management and management information systems. This may include a lack of skills on the part of an owner-operator, lack of internal financial or operational expertise, or poor information systems. These issues can pose serious threats to growing companies and may prevent otherwise sustainable companies from accessing conventional forms of financing. The program is anticipated to have the following benefits: • Decrease NSBI loan write-off rates by addressing management deficiencies of lending clients. • Improve the ability of Nova Scotia SMEs to attract conventional financing and reduce the need for government capital sources. • Improve the success rate of growing companies by providing critical support in the area of financial management before problems arise.
Amount	Assistance to any one company or affiliated companies will not exceed $25k per year. Total expenditures under the program will not exceed $250k per year.
Eligibility	The applicant's business must be considered eligible according to NSBI's operating regulations. The company must be a lending or facilitation client of NSBI Business Financing.
Application Requirements	• Completion of an application form. • Historical and/or projected financial statements of the company and any additional financial information that may be required by NSBI to assess the financial viability of the company. • Acceptable reports providing information with respect to the company's ownership, management, products, markets, and suppliers sufficient for NSBI to complete an evaluation of the company's operating risk. • Project plan, which may include project timelines, budgets, and anticipated impacts of the project on the company's competitiveness.
Criteria	The company must have reasonable prospects (business plan) for continued growth and success. Qualified expenditures will include: • Support for owner/operators in the area financial and operations management; • Funding for external consultation or support beyond that normally provided by external accounting professionals; • Cost share for investment in upgrading internal information systems; • Cost to establish a board, advisory board, or mentor support. The program is intended to supplement assistance available through existing provincial or federal programs. The company may be directed to access other funding sources if applicable. The company must demonstrate compliance with Income Tax Act (Canada), Environment Act, Occupational Health and Safety and Labour Standards Code.
Payment Terms	NSBI will provide assistance to offset qualified expenditures with assistance disbursed directly to service or product providers.

Appendix 2:

Nova Scotia Business Fund

The Nova Scotia Business Fund is the source of capital for NSBI's business financing and equity financing clients. The portfolio currently has approximately $117 million outstanding to more than 80 companies located throughout the province. For 2014–2015, net new capital needed for NSBI to continue to meet the financing needs of Nova Scotia businesses is estimated to be $12 million, with repayments of current outstanding investments estimated to be about $8 million.

Guidelines for the Nova Scotia Business Fund provide direction for investment decisions and the make-up of the portfolio. These include the following:

- Annual sector investment targets:
  - traditional: 16%
  - knowledge-based (IT and life sciences): 20%
  - manufacturing: 45%
  - energy: 9%
  - ocean technology: 5%
  - other: 5%
- $15 million maximum per company (investments exceeding this amount will be considered in exceptional circumstances)
- Maximum of 52% of the Nova Scotia Business Fund available for working-capital/equity investments (target of 5% maximum available for working capital and a target of 47% maximum available for equity investments)
- Borrowing rates established based on lending terms

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Crop and Livestock Insurance Commission

Business Plan 2014–2015

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Message from the Minister, Chair, and CEO

We are pleased to present the Crop and Livestock Insurance Commission's business plan for 2014–15. The plan outlines the commission's continued commitment to offer Nova Scotia's primary agricultural producers insurance against production losses. This business plan supports the province's priorities of encouraging prosperous businesses of all sizes — creating jobs across the province while at the same time encouraging responsible fiscal management.

The AgriInsurance product line continues to expand the opportunities for risk transfer in the production of agricultural products. The commission continues to expand its product line, offering increased benefits and more insurance options. These products are developed and tested in Nova Scotia for the province's unique agronomic mix and business needs.

The commission continues to work toward increased administrative efficiency, particularly related to its information management system. The development of a new information technology system to replace the current outdated and inefficient system has been identified as critical to ensuring that the commission is able to meet the needs of its clients and funding partners.

The Hon. Keith Colwell, Minister
Agriculture

Mr. Avard Bentley
Chair

Mr. Bill MacLeod, PAg
CEO

Mission

The mission of the Crop and Livestock Insurance Commission is to provide Nova Scotia farm managers with insurance products with which they can manage the financial risk associated with reduced crop yields or animal production losses due to insurable perils.

Link to the Department of Agriculture Mandate

The Department of Agriculture has a mandate to support the development of a competitive, sustainable, and profitable agriculture and agri-product industry that contributes to the economic, environmental, and social prosperity of Nova Scotia's rural and urban communities. The Nova Scotia Crop and Livestock Insurance Commission supports this mandate by providing agricultural entrepreneurs with the opportunity to cover off some of the risk of financial losses caused by crop failures, thus strengthening the fabric of rural economies in Nova Scotia. The commission supports the growth and development of the agriculture industry through its crop- and livestock-based insurance programs, encouraging good jobs and economic growth in the province's rural communities. The introduction of additional insurance products through collaboration with industry stakeholders will provide more farm producers with access to AgriInsurance and expand the risk management options for those already actively managing their production risks.

Planning Context

The Nova Scotia Crop Insurance Commission was established in 1968 to provide Nova Scotia farmers the opportunity to manage the risk of production failure. The Nova Scotia Crop Insurance Act was amended in 1978 to provide for the administration of the Livestock Insurance Program and is now cited as the Nova Scotia Crop and Livestock Insurance Act.

The commission reports to the Minister of Agriculture and is a key component of the business risk management services that the department offers to the industry under the AgriInsurance platform. It administers 14 crop insurance plans, a dairy livestock insurance plan, and a Poultry Insurance plan. The commission also administers a Wildlife Compensation Program under the AgriInsurance platform, which, while not an insurance-based program, compensates farmers for losses as a result of uncontrollable wildlife. Cost sharing of AgriInsurance (also known as Production Insurance and Crop Insurance) in Nova Scotia is governed by *Growing Forward 2*: a federal-provincial-territorial framework agreement on agriculture, agri-food and agri-based products policy. This agreement outlines the cost sharing arrangements and administrative requirements that govern the design and delivery of AgriInsurance programs.

Federal and provincial policy direction has encouraged the expansion and strengthening of the role of the AgriInsurance programs to offer more coverage to commercially grown crops and livestock species. In this context, the commission is continuing to develop insurance products for crops and livestock that have not traditionally been covered under AgriInsurance in Nova Scotia.

Administratively, the commission will continue to review its staffing needs and its succession planning strategy, which recognizes anticipated retirements in the next one to five years. The ability to refill positions will affect the delivery of the commission's programs. The commission will continue to review staff training and development needs during the coming year.

Since 2005, the commission has recognized the need to improve its service delivery and in particular to modernize its information management capabilities. While progress has been slow and has suffered a number of setbacks, this work has been identified as a critical need for the effective delivery of the commission's programs and services. A renewed emphasis on the redesign of the commission's IT infrastructure has recently resulted in significant improvements. This work will continue over the next two to three years, using internal resources and a phased approach to modernize these systems.

Strategic Goals

- To support the economic growth of the province through provision of insurance products that help to stabilize the incomes of agricultural businesses.
- To support industry development through increased program participation by expanding programming to include new insurance plans under conventional production insurance, and to introduce product innovations that broaden the income stabilization capacity of farm businesses.
- To improve service delivery to clients by reducing red tape and modernizing the commission's information management and data handling capabilities to improve their reliability, accuracy, efficiency, and security.

Core Business Area

The core business of the Crop and Livestock Insurance Commission is the delivery of insurance products for production agriculture. Its business is conducted pursuant to federal and provincial regulations and in accordance with the Business Risk Management chapter (Part III Annex B) of *Growing Forward 2*.

Priorities for 2014–2015

The commission's priority is to increase the insurance coverage it offers to Nova Scotia agricultural production. The value of coverage is actively managed by increasing the number of clients using AgriInsurance and by increasing the number of products offered and the range of options available to clients. In support of the development of a competitive business climate that stabilizes farm incomes and encourages economic growth and increases jobs in Nova Scotia's rural and coastal communities, the commission will pursue increased program participation through the following:

1. Program expansion/ enhancements, including

a. The commission will continue to consult with industry stakeholder groups to review current policies and regulations aimed at improving existing insurance plans (e.g., Potato Plan updates, updates to Dairy Livestock Plan, and revisions to the Strawberry Plan).

b. The commission will work with industry stakeholders on the development of new insurance programs in sectors such as grapes, Christmas trees, and strawberry nursery plants.

c. The commission will continue updating the form and content of the current Dairy Regulation and review potential improvements to the dairy plan aimed at expanding coverage.

d. Commission staff will continue development of an acreage loss program for vegetables to provide an innovative option to conventional yield-based insurance plans.

e. The commission will continue to work with stakeholder groups to review the effectiveness of its Wildlife Compensation Program.

2. Administrative priorities

a. Over the next two years, using a phased approach, the commission will continue to modernize its information technology infrastructure to achieve a more accurate, reliable, secure, and efficient data handling system.

b. The commission will continue to promote AgriInsurance as a key business management option for agricultural producers in Nova Scotia.

Finance

The commission budget is included in the budget estimates of the Department of Agriculture. The Implementation Agreement under *Growing Forward* provides for reimbursement of 60 per cent of the administrative costs relative to AgriInsurance and Wildlife Compensation. Premiums paid by clients and by the federal government are not included in the departmental budget figures and are administered directly by the commission.

Budget Context

Estimate of Income and Fund Balances

	Authority 2013–14 ($ 000)	Forecast 2013–14 ($ 000)	Budget 2014–15 ($ 000)
Revenues			
Insurance premiums paid by clients	818	792	868
Insurance premiums contributed by government (federal)	736	670	736
Wildlife compensation payments (federal)	150	45	150
Insurance premiums contributed by government (provincial)	491	447	491
Wildlife compensation payments (provincial)	100	30	100
Interest income	80	75	75
Total revenues	**2,375**	**2,059**	**2,420**
Expenses			
Indemnity claims	1,800	2,241	2,000
Wildlife compensation payments	250	75	200
Reinsurance premiums	0	0	0
Bad-debt expense	5	5	5
Total expenses	**2,055**	**2,321**	**2,205**
Net income from insurance activities	**320**	**(262)**	**215**
Crop and Livestock Insurance Fund balance			
Beginning of year	3,350	3,350	3,088
End of year	3,670	3,088	3,303
Administrative expenses			
Government contributions (Canada)	628	595	629
Government contributions (Nova Scotia)	418	443	456
Total administrative expenses	**1,046**	**1,038**	**1,085**
Net government expenditure			
Canada (premium + administration)	1,514	1,310	1,515
Nova Scotia (premium + administration)	1,009	920	1,047
Total program expenditure	**2,523**	**2,230**	**2,562**

Outcomes and Performance Measures

Core Business Area *Delivery of Insurance Products for Production Agriculture*

Outcome	Measure	Data Base Year 2008–09	Target 2014–15	Ultimate Target 2017–18	Trends	Strategies to Achieve Target
Increased income stability of farm businesses	Number of AgriInsurance contracts	700	750	900	2009–10:712 2010–11:745 2011–12:659 2012–13:674	Improve program effectiveness and flexibility through introduction of new insurance plans and promotion of insurance plans to attract new clients
	$ value of coverage	$127.8 million	$140 million	$150 million	2009–10:$135.6 million 2010–11:$140.8 million 2011–12:$141.2 million 2012–13:$177.6 million	Introduction of new insurance programs; expansion of existing plans
	Number of AgriInsurance products available	36	50	55	2009–10:35 2010–11:38 2011–12:41 2012–13:47	Results of the introduction of new plans
	Value of compensation paid for wildlife damage	$110,000	$200,000	$250,000	2009–10:$147,000 2010–11:$201,000 2011–12:$183,000 2012–13:$82,000	Includes federal and provincial compensation paid to producers for damage from wildlife Continued promotion of this program

Core Business Area *Delivery of Insurance Products for Production Agriculture*

Outcome	Measure	Data Base Year 2008–09	Target 2014–15	Ultimate Target 2017–18	Trends	Strategies to Achieve Target
	Ratio of insured production to total value of all products eligible for insurance in NS (excludes livestock)	25.25%	30%	50%	2009–10: 28.32% 2010–11: 30.41% 2011–12: 23.44% 2012–13: 23.11%	New performance measure — measures the uptake by producers of the programs offered by AgriInsurance
	Ratio of agricultural products eligible for insurance to value of all agricultural products in NS (excludes livestock)	57.78%	60%	75%	2009–10: 52.21% 2010–11: 44.31% 2011–12: 60.64% 2012–13: 57.17%	New performance measure — measures the portion of Nova Scotia's agricultural industry being offered AgriInsurance coverage

Note: The base year 2008–09 represents the start of the *Growing Forward* agreement, which ended in 2012–13 and was replaced by *Growing Forward 2*.
The Ultimate Target (2017–18) marks the end of the *Growing Forward 2* agreement.

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Nova Scotia Farm Loan Board

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Message from the Minister and the Board Chair

We are pleased to present the Nova Scotia Farm Loan Board business plan for 2014–2015. The plan outlines the board's goals and priorities for the coming year in line with its mission and mandate.

The primary focus of the board continues to be the provision of agricultural financing and credit counselling in order to advance, encourage, and support the development of agricultural and timber businesses in Nova Scotia.

Arnold Park, Chair
Nova Scotia Farm Loan Board

The Honourable Keith Colwell, Minister
Nova Scotia Department of Agriculture

Mission

The Nova Scotia Farm Loan Board supports the development of agriculture and agri-rural business in Nova Scotia through responsible lending.

Vision

The Nova Scotia Farm Loan Board is a leader in agricultural lending, creating opportunities in rural Nova Scotia.

Mandate

The mandate of the Farm Loan Board is to support the agricultural industry through the provision of long-term, fixed-rate lending products to those clients demonstrating sound business fundamentals and commitment to the future growth and sustainability of the industry.

The board operates as a corporation of the Crown under the authority of The Agriculture and Rural Credit Act. The act was initially proclaimed in 1989 and amended December 2011 to modify the number and terms of service of directors and clarify the board's powers and processes. This act provides authority to the board to make or guarantee loans for the purpose of acquiring or improving any farm, plant, machinery, or equipment; to acquire, hold, and dispose of farms, buildings, livestock, machinery, quota, and lands; to collaborate with the Department of Agriculture personnel; and to take on other purposes, duties, and powers as the minister approves.

The board functions as the Timber Loan Board (for loans to forest-product mills) as well as the Nova Scotia Farm Loan Board. The Timber Loan Board's authority is from regulations made pursuant to the Revised Statutes of Nova Scotia, 1989, The Forest Act, in Section 20 of Chapter 179. The Forest Act provides for credit to acquire forested land for forest-product mills and establishes the Timber Loan Board using the same chairman, members and staff as the Nova Scotia Farm Loan Board.

Our History

Active since 1932, the Nova Scotia Farm Loan Board is an agricultural development agency acting to build greater prosperity. It supports agricultural and rural business development by providing long-term loans at fixed interest rates and financial counselling services. A corporation of the Crown, the board collaborates with the Nova Scotia Department of Agriculture. The board's mandate includes operation as the Timber Loan Board in dealing with applicable loans.

Availability of credit with stable term rates, or rates fixed for the full amortization period, and understanding the agricultural industry, including cyclical swings in profitability, are considered to be strengths of the board in encouraging development of this industry.

At last year-end (March 31, 2013), the board's loan portfolio totalled $171 million in loan principal. Timber loans provided to forest mills to ensure a sustainable wood supply totalled $1.8 million for the forest industry. Primary stakeholders in both the Nova Scotia Farm Loan Board and Timber Loan Board roles include individual and potential borrowers and the province, in particular the Departments of Agriculture, Natural Resources, and Finance. Other important stakeholders include the Nova Scotia Federation of Agriculture and the various commodity groups, commercial lenders, equipment and feed suppliers, the wholesale and retail sectors for products produced in Nova Scotia, and others concerned with economic development in rural areas.

Planning Context

External Context

In general

The agricultural industry is affected by weather and by conditions in competing regions, which may affect general price levels for commodities produced, as well as market conditions, including the effects of branding, consolidation and national purchasing, and market access. Weather conditions and any change in expected patterns present an obvious concern to agriculture.

We continue to see a trend toward fewer, larger farms, a trend particularly noticeable in the dairy and poultry sectors. The succession of farms and intergenerational transfers is a priority for the industry. Changing technology, food safety concerns, and implementation of related health protection measures are common challenges.

Technology is providing for increased mechanization and automation and is being felt in a wide range of applications. This trend is supporting a broader trend toward consolidation of agricultural operations into larger units in attempts to gain efficiency through economies of scale. In most sectors, entry as a producer involves significant initial cost for specialized buildings and equipment and quota (for supply-managed sectors). Larger operations and high start-up costs present difficulties to new entrants and for intergenerational transfer of family businesses, and these difficulties must be addressed.

Producers must be constantly aware of environmental concerns and maintain up-to-date skills, procedures, and facilities and equipment to meet today's standards and regulatory requirements. The increasing public desire to buy locally produced food is a positive development, improving opportunities within the province for producers of many commodities.

Through the development of sound lending practices and comprehensive financial analysis and risk assessment tools, the mandate of the Farm Loan Board will focus primarily on the provision of long-term and term-fixed lending in support of new producers and other higher-risk borrowers demonstrating sound business fundamentals and incremental contribution to the growth of the agricultural industry in Nova Scotia.

Interest rates

Interest rates have remained low during the fiscal year. The Bank of Canada maintained its policy overnight rate at 1 per cent throughout 2013–2014 (unchanged since October 2010), keeping rates stable and low. Low rates have benefited producers by expanding the range of potential funding sources and allowing earlier repayment. In some cases, amounts borrowed may be higher because of these lower-than-usual rates.

Requirements for board financing are influenced by levels of investment in agriculture and timber businesses, rates of capitalization, general economic conditions, and the availability of funding from commercial lenders. The board continues to offer fixed-interest loans with rates fixed for the full amortization period of the loan, but it also provides three-, five-, and ten-year terms on loans amortized over a longer term. These loans provide for lower interest rates than full amortization loans and are restricted to clients who can bear the risk of a potential interest rate increase at the end of the term. Other loan options may be considered for implementation during 2014–2015, including flexible lending secured by real property and variable-rate loans to support short-term and accumulating requirements, including those for quota purchase. Decisions on loan product changes will follow and flow from the board's mandate review and strategic planning process.

Lending demand

Total new loan advances have ranged between $17 million and $30 million annually over the past ten years. We expect that over the coming year, requirements will be in the upper end of that range. The capital authority of $35 million is expected to provide flexibility in responding to client borrowing needs in 2014–2015.

The board will seek to operate on a cost-effective basis and meet client credit needs, providing credit services, support to new entrants, and risk analysis, and collaborating with departments and industry. The board intends to remain flexible in its approach and will be open to any type of development, loan products, or ventures that will assist agricultural development in this province.

Ongoing Planning Focus

Lending

The board understands its role to be in support of the long-term viability and development of agriculture in Nova Scotia through lending. The primary role is to ensure that loan financing is available to clients who have a reasonable likelihood of success but are unable to obtain financing at reasonable rates because they are new, they participate in a sector that has cycles of profitability, or for other reasons they find that banks are tightening credit

The board also lends to clients who may have access to commercial lending. It does this to provide stability in the availability of funds and in interest rates by offering fixed rates for up to 30 years. This allows those successful clients to continue a financing relationship that may span many years, and to build into their risk profile the stability that comes with a lender that has a long-term commitment to agriculture, offers fixed rates, and can be patient during poor business cycles.

The board may on occasion act to assist agribusinesses or clients who experience financial difficulties when dealing with a commercial lender even though the business itself appears viable, given patience, and any lending losses already experienced are borne by the initial lender.

Lending program services will meet these objectives by providing knowledge of agriculture, long-term client relationships, a client focus in developing and providing services, flexibility in lending services and repayment, counselling services, support for new entrants, and long-term lending.

When it is possible to broaden services available to clients by collaboration with other local lenders, joint lending relationships will be pursued. Industry representatives suggest that additional emphasis should be placed on assisting new entrants and on counselling services. Many clients have indicated that they would prefer additional flexibility in loan options available from the board, possibly variable rates, and asset-secured operating or working capital loans. In response to the need for short-term funding by our clients, the board has signed a Memorandum of Understanding with the Nova Scotia Co-operative Council under the Small Business Loan Guarantee Program. Credit Unions can provide financing (term loans, lines of credit, and working capital) up to $500,000. Interest rates are negotiated between the applicant and the credit union. A credit union is required to take security to protect the value of the loan. The board will lend so as to support success in agriculture, while continuing to bear in mind the current economic environment.

While ability to repay remains the basic criterion for granting loans, sound environmental and business planning practices and procedures will continue to be considerations, as required for industry and individual growth and sustainability.

The risk manager function, initiated during 2011–2012, has improved risk analysis and loan criteria and has been made a part of the board's ongoing loan approval process. The board will continue to work toward strengthened lending and management information to meet lending, decision-making, and financial reporting requirements.

Strategic Goals

The following goals have been developed to meet the board's mandate and at the same time support the established goals of the Province of Nova Scotia:

1. Growth in the Rural Economy

- By supporting growth in terms of new participants, new innovative products and ideas, and new methods of production, accepting that these entail relatively high risk by ensuring access to stable, cost-effective, asset-backed developmental credit.
- Providing flexible loan products adapted to the needs of the agricultural industry.

2. Supporting Growth and New Participants in Agriculture

- By providing support at the development and entry level of farming operations so as to ensure that the agricultural industry will be maintained and have an opportunity to grow.

Core Business Areas

Support for Departmental Priorities

Board activities support prosperous businesses in rural areas in line with the vision and principles identified in the Department of Agriculture's 10-year plan, *Homegrown Success*.

Stable access to loan financing at reasonable rates improves *sustainability* during fluctuations in economic and market conditions. Throughout the lending decision-making itself, board staff use their experience to influence client plans for favorable results.

The board is committed to *collaboration* with other service providers and lenders when this will improve services available to clients.

An element of the board's portfolio is intended to be to support *growth* in terms of new participants, new *innovative* products and ideas, and new methods of production even though these tend to be of relatively high risk. Additional loan products may also be considered in order to meet financing needs of these growth opportunities.

While growth demands that an element of risk be accepted, the board seeks to ensure that loans are issued to successful businesses that will generate profits and repay those loans. Loan officers seek to ensure that projects approved for a loan will result in a *measureable improvement* to the business concerned, and the board seeks to provide, overall, a financing environment that sustains improvement.

All loans are issued at rates intended to cover the financing costs to the province and contribute to operating costs and losses on defaulted loans.

Loan issuance and recovery policies are designed to serve the public interest by supporting growth and development while minimizing costs.

Core Business Area 1: Lending

Providing flexible, asset-based credit for the development of agricultural businesses is the primary mandate of the Farm Loan Board. This includes loan product development, loan service development, client service and administration, and efficient and responsible financial management. It also includes financial analysis and counselling. Financial counselling is provided by loan officers as a component of loan-analysis meetings with clients and potential clients and includes assessment of projects under consideration. Loan officers assist in sourcing the best available credit.

By providing a reliable source of flexible, asset-financed credit, the board directly provides for development and growth of the agricultural and timber industries and indirectly influences credit availability at reasonable rates through its influence on, and partnership with, other participants in the lending industry.

Loan demand was strong during 2013–2014, and this is expected to continue into 2014–2015. Loan requirements are affected by the availability of credit and the rates available from commercial lenders, developments within the industry, and expectations about future interest rates.

Core Business Area 2: Programs Administration

Programs administration supports the development and implementation of departmental loan-based assistance programs in areas related to the board's financial operations and expertise, including the FarmNEXT program, as well as other programs as they arise. This area of responsibility is funded by departmental resources distinct from the board's lending program but administered by board lending staff. Program expenditures are reported with departmental accountability reports, separate from and not included in the board financial report.

Priorities for 2014–2015

Lending

Provide up to $35 million of new loan capital to the agricultural and timber industries in the 2014–2015 fiscal year.

Lending capacity to this level will help to ensure that the industry has access to stable, cost-effective credit and will allow for lending to support development of farms to ensure sustainability, improve efficiency, adapt to new technology and improve profitability and to support growth and entry of new farming operations. During 2013–2014, the board is forecast to advance $30 million and receive principal repayments of $24 million. Actual lending requirements vary from year to year depending on opportunities identified.

In order to promote understanding of the flexibility available to clients, the board is developing information to present specifically targeted and identified loan product offerings, reducing reliance on individual customization without limiting current options.

Credit Counselling and Risk Management

The board places importance on maintaining an understanding of agriculture, on the development of relationships with clients and understanding their needs, and on flexibility in dealing with individual circumstances, confidential credit counselling services, and specific loan product offerings.

Accounts are managed so that write-offs and arrears conditions are monitored and minimized in relation to the portfolio size while supporting industries and individuals through cyclical downturns and working toward the best outcome for all parties.

This approach includes accurate and appropriate appraisal and evaluation of security arrangements for loans, monitoring arrears, and financial counselling, particularly for new clients and clients identified as having financial difficulty.

Lending will continue to be directed toward viable enterprises and projects (with potential to repay) and acceptable security to support the loan. During financially difficult times, the board is committed to assisting those operations that appear to have a long-term future and a commitment to meet their obligations. This may include deferral of payments, restructuring of debt, financial counselling, and referral to other relevant services.

The board will provide credit counselling and follow-up for clients with repayment difficulties.

The independent credit risk assessment position has been demonstrated to add significant value to board decisions and will be funded on a permanent basis.

Support New Farmers

The board recognizes the importance of assisting new entrants to agriculture. It will do so by providing guidance and advice, working with other staff and programs of the department, and funding projects with viable business plans but limited experience.

The board administers the FarmNEXT program on behalf of the Department of Agriculture. This program is to encourage beginning farmers to start commercial farms in Nova Scotia. FarmNEXT applicants prepare a business plan in consultation with staff of the Department of Agriculture. Coaching by staff will continue to be available to beginning farmers in subsequent years. Program benefits are available to beginning farmers who borrow funds from the board, based on the interest payable on the loan. There are two categories of applicants and the benefits available:

- Succession — for acquiring a farm business as a going concern. Benefits are based on four years of projected eligible interest on their loan, to a maximum of $30,000.
- Start-up for establishing a new farm business. Benefits are based on four years of projected eligible interest on their loan, to a maximum of $30,000.

Budget Context

Nova Scotia Farm Loan Board Operational Income Statement

	Estimate 2013–14 ($ 000)	Forecast 2013–14 ($ 000)	Estimate 2014–15 ($ 000)
Revenue			
Interest	7,900	7,545	7,800
Life Insurance revenue (1)	432	20	20
Fee revenue / recoveries	375	464	375
Total revenue	**8,707**	**8,029**	**8,195**
Expenses			
Interest	6,700	5,948	5,800
Operating expenses	1,525	1,547	1,601
Bad-debt expense	253	400	253
Total expenses	**8,478**	**7,895**	**7,654**
Net income (loss)	**229**	**134**	**541**
Transferred to the province	(229)	134	(541)
Remaining	**0**	**0**	**0**

Notes:

See year-end annual reports for complete financial information and notes (www.gov.ns.ca/agri/farmlb/busplan/).

Interest expense is established under terms of a Memorandum of Understanding arranged with the Department of Finance.

Restatement: (1) The 2013–2014 Business Plan presented an estimate of $0; $432,000 was actually assigned.

See notes following the Capital Funds table.

Capital Funds

	Estimate 2013–14 ($ 000)	Forecast 2013–14 ($ 000)	Estimate 2014–15 ($ 000)
Opening principal	**167,082**	**170,611**	**177,721**
Add loan advances	32,000	30,000	35,000
Less repayments	(20,000)	(22,000)	(23,000)
Less principal written off	(3,000)	(890)	(3,000)
Closing principal	**176,082**	**177,721**	**186,721**
Provision for impaired accounts			
Opening provision	**9,964**	**9,717**	**9,227**
Less accounts written off	(3,000)	(890)	(3,000)
Additions (principal portion of bad-debt expense +/– adjustments)	253	400	253
Closing allowance	**7,217**	**9,227**	**6,480**
Net portfolio at year end	**168,865**	**168,494**	**180,241**

Notes:

The board funds loans by arranging financing through the Department of Finance for terms similar to loans issued on a quarterly basis.

Accounting adjustments are subject to the approval of the Department of Agriculture. The board is assigned budgetary authority through the department and is required to conform the forecast and estimate authority to the amount assigned. Authority assigned for fees, operations, and bad-debt expense is based on funding availability.

Significant portions of the board's expenses, most bad-debt expense, are variable, somewhat unpredictable, and beyond short-term control. Under a new contract arrangement for the life insurance program, the insurance carrier collects premiums directly and assumes all risk and benefits related to annual results.

Budget for Core Business 2: Program Administration

	Estimate 2013–14 ($ 000)	Forecast 2013–14 ($ 000)	Estimate 2014–15 ($ 000)

Note that the board staff administer the FarmNEXT program. The program is reported separately under the Department of Agriculture and is not included in the operational income statement of the board.

	Estimate 2013–14 ($ 000)	Forecast 2013–14 ($ 000)	Estimate 2014–15 ($ 000)
FarmNEXT program	574	300	574
Total staff (FTEs)	17.3	17.3	17.3

Outcomes and Performance Measures

Core Business Area 1 *Lending*

Outcome	Measure and Rationale	Base Year Data	Targets	Trends	Strategies to Achieve Target
Total loans advanced	Total new funds advanced during the year (in millions)	2012: $21.1 million	2013–14: $25 million 2014–15: $30 million	2009–10: 16.8 million 2010–11: 27.8 million 2011–12: 21.1 million 2012–13: 30 million (forecast)	Continue to provide loan financing to clients who have a reasonable likelihood of success. Continue to develop additional loan products to meet client needs, including clients with lower inherent risk and less likelihood of loss. Ensure that lending information is readily available to those seeking credit, through the website, publicity, and participation in producer meetings as well as directly through the loan officers.
Successful clients (as indicated by the proportion of accounts in difficulty)	Total arrears as percentage of value of all accounts	2006–07: 3.7%	2013–14: 4.3% or less 2014–15: 4.3% or less	2008–09: 4.5% 2009–10: 6.3% 2010–11: 4.7% 2011–12: 4.9% 2012–13: 4.3% 2013–14: 4.2% (forecast)	The special credit section will continue working with clients in arrears or experiencing difficulty to achieve the best chance of success in the long term (see arrears strategies above). Monitor account status, contacting clients in arrears and referring them to industry resources where appropriate. Maintain contact and work with client and work out arrangements for payment. Include larger arrears accounts in annual review process. Strengthen new-loan approval review, using the Risk Manager position. Arrears and defaulted accounts will vary from year to year depending on performance of the various agricultural sectors represented in the board's loan portfolio. Working with clients to achieve the best long-term outcome is the board's primary goal. Continue to improve a balance of high risk and lower risk clients by broadening loan products available to meet a range of requirements. Clear up existing accounts in process for recovery subject to legal procedures, fairness processes, and timing necessary to achieve the best value.

Core Business Area 1 *Lending*

Outcome	Measure and Rationale	Base Year Data	Targets	Trends	Strategies to Achieve Target
Client satisfaction	Combined results for courtesy, promptness, knowledge, and commitment on client survey	2000–01: 92%	2013–14: 90% or above 2014–15: 90% or above	2008–09: 94% 2009–10: 96% 2010–11: 93% 2011–12: 98% 2012–13: 90% 2013–14: 87% (forecast)	Monitor survey results. Review procedures for efficiency gains. Work to improve promptness score by monitoring in-office processing time.

Core Business Area 2 *Program Administration*

Outcome	Measure and Rationale	Base Year Data	Targets	Trends	Strategies to Achieve Target
New entrances facilitated	Number of approved applications	2000–01: 49	2013–14: 30–50 2014–15: 20–25	2008–09: 22 2009–10: 31 2010–11: 43 2011–12: 0 2012–13: 18 2013–14: 14	A publicity program is being developed to make potential new producers aware of the program benefits and requirements. Advertisements will be placed in appropriate publications. Information is being made available to loan officers and other Department of Agriculture staff to provide to individuals considering entering agriculture.

Board of Directors

The board currently consists of the following directors (with successful careers in agriculture and business), who govern policies, receive reports on operations and clients, and provide strategic direction for the board.

Arnold Park, Chair

Arnold was appointed to the Nova Scotia Farm Loan Board effective May 1, 2012, for a term expiring April 30, 2015. He has over 40 years of progressive business experience in the agriculture and agri-food industry, including a 10-year term as president & CEO of McCain Foods, Canada. He has a strong background in management, financial and marketing, having been involved in the wine industry, food processing, corporate farming, and crop contracting.

Greg Sheffer, Director

Greg was appointed to the Nova Scotia Farm Loan Board February 24, 2012, for a term expiring February 24, 2015. He has extensive experience in the financial industry. Greg is a senior wealth advisor and director of Scotia McLeod in Halifax. He has his MBA, FCSI, and BSc in agriculture. He is past chairman of the Nova Scotia Cattle Producers Association and past member of AgraPoint and numerous community volunteer organizations.

Jim MacAfee, Director

Jim was appointed to the Nova Scotia Farm Loan Board September 15, 2012 for a term expiring September 14, 2017. Jim has extensive experience as a farm operator and business owner and as the Atlantic Canada representative for North America Fur. He is currently the owner and operator of Furafee Trading Co., a fur collection and trading supply catalogue mail order business. He is also the Atlantic representative for the Hudson's Bay Company. Jim is a graduate of the NSAC.

Lee Thompson, Director

Lee was appointed to the Nova Scotia Farm Loan Board September 15, 2012, for a term expiring September 14, 2017. With his family, Lee currently operates Forest Glen Greenhouse Limited. Lee has a background in environmental planning and resource planning. He worked for the Town of Truro for a number of years doing liaison management between local business owners and all levels of government. He has a special interest in agriculture and mentoring young entrepreneurs.

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Film and Creative Industries Nova Scotia

Business Plan 2014–2015

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Mission

To increase the impact of the creative industries on the economy of Nova Scotia by driving growth, innovation and export sales.

Introduction

Film and Creative Industries Nova Scotia has harnessed convergence, digitalization, and globalization to drive innovation, attract young people, create higher-value jobs, and increase the contribution of the creative industries to the overall economic performance of the province. The agency has built a brand and aggressively promoted the creative industries as more integrated and critical to the success of business in Nova Scotia, while positioning the agency as a leader among development agencies.

Legislation and By-laws

- Film and Creative Industries Nova Scotia Act
- By-laws of Film and Creative Industries Nova Scotia
- Nova Scotia Film Industry Tax Credit Regulations
- Digital Media Tax Credit Regulations

Role

Twenty-three years ago, a five-person development agency was created to build and support the growth of the film and television industries in Nova Scotia through direct investment, tax credit programs, skills development, and marketing the province and businesses in the local industry. Through its efforts, this industry has grown to a consistent level of production activity annually in excess of $100 million. In December 2012, the government expanded the agency's mandate to encompass other creative industries, and it is now focused on the development, growth, and global positioning of the province's creative industries.

With the expanded mandate, Film and Creative Industries Nova Scotia is supporting a broader client base, growing creative industries to increase their economic impact to the Province of Nova Scotia.

Leveraging the collective capacity of the creative industries is important to achieving the agency's goals. Film and Creative Industries Nova Scotia believes building sustainable partnerships will open doors and provide opportunities to foster communication with and between its clients. These enhanced peer-to-peer relationships will produce a growing network of industry intelligence and an increased number of quality marketable products across the industries. Future generations of entrepreneurs will be exposed to new opportunities and experienced mentors who will support their growth, develop their talents and provide opportunities for new ventures.

Planning Context

Nova Scotia is a small economy, and its economic performance is strongly influenced by others. Forecasts suggest that worldwide economic growth is expected to be higher in 2014. Economic recovery has taken a firmer hold in Nova Scotia's traditional markets of the United States and [illegible] both the Canadian and Nova Sc[illegible]ies are expected to have stro[illegible]n in 2014 than 2013. Export grow[illegible] will be aided by recovery in American demand and depreciation of the Canadian dollar. The lower Canadian dollar makes Nova Scotia more attractive in terms of travel and locating business activity (such as conferences and filming) here.

Within the government planning context, government's response to the report by the Nova Scotia Commission on Building Our New Economy (the Ivany Commission) and the independent review of provincial economic development assistance programs will influence the direction of economic development in Nova Scotia. At the time of writing, the full implication of what this means for the operations of Film and Creative Industries Nova Scotia is not known, so this business plan is based on the status quo, which may change as we respond to government's direction.

Government fiscal constraints and technological changes are providing ongoing challenges and opportunities for Film and Creative Industries.

Creativity can be defined as the process by which ideas are generated, connected, and transformed into things that are valued. There is no doubt, from a global, national, or regional perspective, that the creative economy is growing rapidly. The creative economy fuels economic growth, job creation, and international trade. It stimulates innovation, fosters tolerance and understanding, and in some jurisdictions is effectively used to communicate and better deliver public services such as healthcare and education.

The Canadian military recently announced that video simulation, including popular commercial video games such as *Call of Duty*, is playing an increasing role in the training and development of troops. Civic officials in Calgary are investing in a creative hub, a purpose-built facility to stimulate collaboration and cross-pollination between the creative industries and the city's growing technology sector to ignite innovative start-ups. Authors, painters, performers, and musicians have long been engaged with researchers to study the effects of the creative process on learning, mental health, and vitality. Closer to home, researchers at the IWK Health Centre are joining forces with local video game developers to help children remain still during diagnostic procedures. Despite tremendous opportunities for commercialization and economic benefit, the true potential of the creative industries is untapped in most jurisdictions.

Film and Creative Industries Nova Scotia is developing a five-year strategic plan to realize the potential of the creative industries to drive growth in the province.

The development of this plan identified three critical trends that will affect future and potential of the creative industries:

1. **Convergence** – continued technological and business-model convergence has blurred the industry categories and will further reshape markets and possibilities
2. **Digitalization** – the conversion of products such as movies, sound recordings, and books to a digital format will affect all areas of the creative economy

3. **Globalization** – the imperative to become more globally competitive

These trends present both challenges and opportunities for creative industries to continue to drive growth and innovation. Film and Creative Industries intends to become a catalyst for growth by helping entrepreneurs and businesses in the creative industries increase their impact on the provincial economy.

Creativity is found everywhere in the world and is an inexhaustible resource. The products of the creative economy pervade contemporary life. With the opportunity for above-average growth and job creation, the creative economy has never been more important. Now is the time for Nova Scotia to execute on a strategy that brings the province's creative industries to the competitive forefront globally.

A strong creative economy can retain students and highly skilled professionals, push innovation to the forefront, create high-value jobs, positively invigorate rural communities, and contribute to the provincial economy.

Context for 2014–2015

Film and Creative Industries Nova Scotia spent much of the 2013–2014 year engaging stakeholders and gathering research on the creative economy, both domestically and internationally, in order to create a strategy for the new agency. The strategy will guide the decisions and actions necessary to reach the full potential of Nova Scotia's creative sectors.

The strategy development process engaged the board, staff, clients, industry partners, and government to gain insight and perspective into the creative industries and to focus and prioritize the strategic goals for the agency.

Through independent research, interviews with influencers, and jurisdictional reviews, Film and Creative Industries Nova Scotia concluded that the challenges facing the creative industries are not unique to Nova Scotia. The creative economy remains poorly understood, its potential not easily quantified. The absence of consistent data is an issue in many jurisdictions and makes it very difficult to determine the impact and to make evidence-based decisions about the industries. The potential of the creative economy needs to be better articulated, quantified, and communicated.

Enhancing the recognition and understanding of the creative industries as export-oriented enterprises that compete globally is critical

In the 2014–2015 fiscal year, using the strategic plan as a foundation, Film and Creative Industries Nova Scotia will work toward the following strategic goals.

Strategic Goals

Following extensive stakeholder engagement and jurisdictional analysis, Film and Creative Industries Nova Scotia established six pillars to guide the growth of the creative sectors in Nova Scotia. Independently, each of these pillars supports development and growth. In combination, these pillars address the critical trends of convergence, digitalization, and globalization, and they assist in preparing Nova Scotia's creative industries to meet the challenges of the future while growing and thriving.

Pillar 1 Awareness and Impact

Clearly define the creative economy in Nova Scotia, measuring the contribution of the sector to build awareness and credibility.

Pillar 2 Marketing and Exposure

Aggressively promote Nova Scotia's creative industries with a coherent brand to targeted international markets, while sharing success stories to encourage more entrepreneurs and businesses to do the same.

Pillar 3 Building a Community

Facilitate the creation of an active network of stakeholders internally, across the province, and externally to foster innovation, collaboration, and joint ventures.

Pillar 4 Funding Growth

Provide predictable, sustainable access to financing to grow businesses, recognize the globally competitive nature of these industries, capitalize on existing provincial programs, and explore innovating new methods for financing growth.

Pillar 5 Developing Skills for Success

Realize the potential of the creative economy through the enhancement of business and marketing skills, using technology to manage growth while developing, attracting, and retaining creative talent.

Pillar 6 Leveraging Convergence and Technology

Incent innovation through the exploration of convergence and technology to build a sustainable, adaptable creative economy.

Core Business Areas

The province has seen significant success in the film and television industries, which historically have provided an economic stimulus to our urban and rural communities in the range of $100–120 million in production activity annually.

The music sector in Nova Scotia is well known around the globe. Many Nova Scotian musicians have performed and are recognized for their talent internationally. Music Nova Scotia boasts over 450 members and is the lead music industry association in the province. Music Nova Scotia works in partnership to encourage the creation, development, growth and promotion of Nova Scotia's music industry.

The craft industry sector is one of the most diverse and vibrant industries in Nova Scotia. With its large spectrum of producers in Nova Scotia, this industry is also one of the largest and most difficult industries to define. The Nova Scotia Designer Craft Council has approximately 380 members, 75 to 80 businesses and individuals who identify as professionals with potential for export.

The book publishing industry is an active part of Nova Scotia's literary landscape. The Atlantic Publishers Marketing Association, an industry association representing book publishers in Atlantic Canada, lists 14 book publishers in Nova Scotia. Technology and the advent of e-books have generated more options for writers to get their work published. However, online publishing brings added complexity to the industry. Managing technology and change, while protecting what is unique and working, is very important to the local industry.

The province is also seeing the export and economic potential of other creative sectors such as performance art. Nova Scotia's 2b Theatre Company is the second largest independent theatre company in Canada, touring their productions throughout North American and Europe.

Investment Programs and Initiatives

The investment programs implemented by the corporation are instrumental in creating a vibrant, growing, and successful creative economy in Nova Scotia. These programs are critical in developing enterprises and individuals in the creative industries.

Investment programs and initiatives in film, television, digital media, music, publishing, fine art, production craft, and other creative sectors include equity investments, the Eastlink TV Independent Production Fund, development loans, the Web Drama Series Program, the First Feature Project, the Industry Growth Program, the Assistance to Book Publishers Program, the Nova Scotia Film Industry Tax Credit and Digital Media Tax Credit, the Emerging Music Business Program, and the Export Development Program for Music. Film and Creative Industries Nova Scotia also provides administrative funding to Music Nova Scotia to support program delivery.

Marketing

The 2013–2014 Marketing and Communications Plan will support achievement of the agency's strategic goals. This will include research into territories that will be explored and targeted to increase the export development potential for creative industries in Nova Scotia, identifying partners and additional resources available to the companies creating content for export, and further establishing Nova Scotia as a location for television, film, and interactive media production and a competitive jurisdiction for investment attraction and the exporting of music, books, fine art, craft, and performance. The agency will also promote Nova Scotia at international markets and festivals related to film, television, interactive media, music, publishing, fine art, and performance. Where appropriate, the agency will collaborate with other industry partners and government departments to expand the brand and profile of the creative economy in Nova Scotia.

Industry Growth

Film and Creative Industries Nova Scotia works in partnership with industry organizations and training institutions to provide professional development and training opportunities to emerging and established individuals across the creative sectors to allow them to further develop their careers and explore new business opportunities. In addition to development and training, Film and Creative Industries Nova Scotia looks to provide the creative sectors in Nova Scotia with direct access to national and international industry gatekeepers through workshops and forums. This leads to ongoing discussions and direct access to decision makers for Nova Scotia producers.

Film and Creative Industries Nova Scotia also offers trade mission support to all industries to assist in exploring investment attraction and to build and expand exporting capacity. Given the expanded mandate at Film and Creative Industries Nova Scotia, the agency is engaging stakeholders from across the creative industries as well as government and industry partners to identify shared markets of interest across all industries. The agency will leverage resources and maximize the value of trade missions by hosting cross-sector business development initiatives in shared priority markets.

Partnerships

Film and Creative Industries Nova Scotia has developed key relationships with public and private partners in order to gain market intelligence and to build capacity and strategies to ensure that the creative industries in Nova Scotia successfully adapt to changes in technology in terms of content, production, and delivery mechanisms.

Strong partnerships lead to new and innovative ways to support the development and growth of Nova Scotia's creative industries, providing various support models to entrepreneurs and businesses, ensuring long-term sustainability and reducing the reliance on government funding.

Priorities for 2014–2015

For the 2014–2015 fiscal year, Film and Creative Industries Nova Scotia has identified initiatives under each of the six pillars described in the Strategic Goals section to advance the sustainability and growth of the creative industries, to support government's economic development priorities, and to ultimately deliver on the goals of the agency's five-year strategic plan. These initiatives will establish benchmarks and a foundation for the agency.

Pillar 1 Awareness and Impact

- Establish meaningful measures to assess and analyze the economic impact and performance of the creative industries in Nova Scotia.
- Working with partners, explore opportunities to leverage resources such as Nova Scotia Business Inc.'s Regional Growth Initiative and the Statistics Canada Creative Satellite Account to collect meaningful data on the creative sectors.
- Initiate programs and initiatives to create a broader awareness of the impact and importance of the creative industries to the economy and the people of Nova Scotia.

Pillar 2 Marketing and Exposure

- Take a proactive approach to marketing the creative industries by identifying shared markets of interest and cross-sector business development opportunities.

- Work with other government departments and industry associations to leverage marketing dollars and enhance success.
- Provide businesses and entrepreneurs with market intelligence and in-market education to improve exporting capacity.

Pillar 3 Building a Community

- In consort with provincial partners, map the province to identify creative clusters and existing infrastructure in order to leverage resident capacity and investments needed to support growth.
- Create a searchable online database of companies and individuals working in the creative sectors to facilitate communication between the industries and encourage convergence.
- Facilitate cross-sector networking opportunities that bring together companies and individuals throughout the creative industries.

Pillar 4 Funding Growth

- Investigate the development of a single-intake online application model for Film and Creative Industries Nova Scotia's programs to streamline access for clients.
- Work in conjunction with the Department of Economic and Rural Development and Tourism and the other Crown corporations to understand business programs available throughout government that could benefit individuals and companies in the creative sectors.
- Work with the Department of Finance to understand the tax review process, and explore opportunities to encourage private sector investment in the creative industries.

Pillar 5 Developing Skills for Success

- Through collaboration with other government departments and partners such as Labour and Advanced Education, understand the training and skills development programs available to support the creative sectors.
- Through collaboration with industry partners, identify knowledge gaps in the creative sectors, and work with government, educational, and training institutions to address and remedy these issues.

Pillar 6 Leveraging Convergence and Technology

- Explore the models used by federal organizations such as the Canada Media Fund to encourage and incent the use of technology and innovation in the creative industries.
- Through existing programs, explore ways to encourage or incent increased collaboration between the creative sectors, using local musicians for film and television soundtracks or encouraging local video game producers and animation studios to option the work of local authors, for example.
- Work with government and other stakeholders to explore opportunities to link the broader business community with technological and creative expertise resident in the creative sectors.

Budget Context

The business plan solicits an appropriation of $4.2 million, which is a decrease from previous years. Working through the five-year strategic plan, it became evident that additional resources would be required to effectively grow the creative industries and efficiently deliver programs without sacrificing quality of service. With no additional funding available to support this, Film and Creative Industries Nova Scotia will look to explore partnerships and leveraging of resources to achieve its goals of long-term growth and development of the province's creative economy.

Film and Creative Industries Nova Scotia is CRTC certified as an independent production fund, eligible to receive and administer contributions from broadcast distribution undertakings. Film and Creative Industries Nova Scotia is restricted to using these private funds to support television production in Nova Scotia. As contributions to the fund are voluntary, they may vary from year to year and are independent from the operations of Film and Creative Industries Nova Scotia. The establishment of Film and Creative Industries Nova Scotia as a certified independent production fund allows the agency to explore the opportunity to leverage additional funding for Nova Scotian production through other Canadian broadcasters. Film and Creative Industries intends to do this to support the growth of specific genres of production and areas of strength.

Film and Creative Industries Nova Scotia will be investigating options to streamline funding and support to the creative industries by completing a comprehensive program review to ensure the best tools are in place for supporting individuals and businesses in the creative sectors. The agency will also be exploring ways to encourage and incent the use of technology and innovation throughout the creative industries and to expand current sector specific programming, where appropriate, across all creative industries. The agency will ensure that staff has access to appropriate resources to adequately deliver programs and services given the expanded mandate and client base.

	Estimate 2013–14 ($)	Forecast 2013–14 ($)	Estimate 2014–15 ($)
Contributions			
Operating Fund:			
Nova Scotia Government	4,217,500	4,427,800	4,217,500
Recovery of equity investments and development loans	150,000	250,000	200,000
Other income	40,000	41,000	120,000
Interest income	14,000	22,000	20,000
Independent Production Fund:			
Eastlink TV Independent Production Fund	993,200	1,039,633	400,000
Recovery of equity investments	—	10,367	—
Interest income	8,000	11,000	6,000
Total contributions	**5,422,700**	**5,801,800**	**4,963,500**
Disbursements			
Operating Fund:			
Programming	3,001,300	3,110,600	3,035,500
Administrative expenses	1,018,700	1,078,700	1,030,000
Marketing expenses	401,500	551,500	492,000
Independent Production Fund:			
Programming	1,000,000	1,059,800	404,800
Administrative	1,200	1,200	1,200
Total disbursements	**5,422,700**	**5,801,800**	**4,963,500**
Net balance	—	—	—
Administrative expenses			
Board	27,000	27,000	25,000
Consultants & professional fees	28,000	88,000	23,500
Dues, fees & subscriptions	12,000	12,000	10,000
Office	54,500	56,500	52,000
Rent and related costs	87,500	88,500	90,000
Salaries & benefits	795,700	792,700	815,500
Staff training	14,000	14,000	14,000
	1,018,700	**1,078,700**	**1,030,000**
Independent Production Fund			
Administrative	1,200	1,200	1,200
Total administrative expenses	**1,019,900**	**1,079,900**	**1,031,200**
Marketing expenses			
Business development	60,000	60,000	60,000
Location services	22,000	33,000	22,000
Marketing & advertising	84,500	229,500	175,000
Salaries & benefits	180,000	174,000	180,000
Sponsorships	55,000	55,000	55,000
Total marketing expenses	**401,500**	**551,500**	**492,000**

Outcomes and Performance Measures

A systematic analysis for the creative economy would counter many of the challenges outlined in the plan and would foster

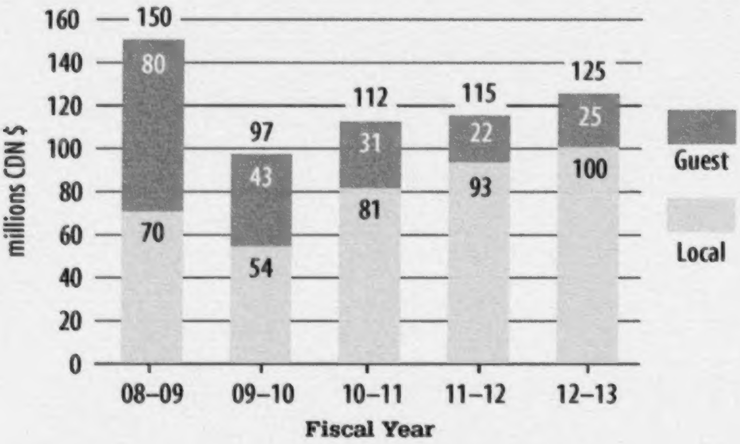
- a better understanding of the stakeholder base and how industries relate to one another and the general economy
- acknowledgment of the contribution of the creative industries to economic, social, and cultural life
- a basis for evaluating the contribution and making evidence-based decisions
- an understanding of the potential for growth in the creative economy

The agency is proposing to gather the same information traditionally compiled to measure the film and television industry plus a measure to calculate the amount of funds leveraged from outside sources. In order to measure the economic impact of the other sectors, the agency is proposing to review a sampling of companies in each of the other industries and use that data to create a model in order to extrapolate the overall impact of the creative industries. In the sampling, the agency proposes to examine measures such as

- profitability
- payroll or average salary
- export sales
- related or new business start-ups
- leveraged funds
- application of technology or innovation in the development, operations, marketing, and sales of their business

The chart below captures the measures typically used to assess the film and television industry, with updated targets for 2014–2015.

Nova Scotia Film Production Activity by Local vs. Guest Producers



Outcomes and Performance Measures

Core Business Area 1 *Business Development*

Outcome	Measure	Data 2010–11	Data 2011–12	Data 2012–13	Estimate 2013–14	Target: 2014–15	Strategies to Achieve Target
Contribute to Nova Scotia's economy by maximizing the economic potential of Nova Scotia's creative sectors	**Film programs:** •Total production activity • Domestic production activity •Guest production activity	Production activity has been increasing over the past four years following an exceptionally high 2008–09 fiscal year (see Figure 1). Domestic activity has grown to its highest level in the history of the agency, allowing Nova Scotia to rely less on guest productions to sustain the province's audiovisual industry. Guest producers have also begun partnering with local companies to provide Nova Scotia ownership of guest production such as *Haven*, co-produced with Big Motion Pictures of Chester.				To maintain or exceed baseline levels to the extent possible with the available resources	Develop a 5-year strategic plan; identify goals for the expanded mandate of Film and Creative Industries Nova Scotia. Keep abreast of change: in the creative sectors and ensure that programs meet the requirements of stakeholders and clients. Provide increased exposure for enterprises and individuals in the creative sectors. Create and maintain strategic partnerships to generate resources for the industry and raise the profile of the industry.
	Ratio of production activity leveraged by equity investments	95.72%	97.04%	95.63%	95%		
	Music, book publishing and industry growth programs: Measures to be determined via the development of the 5-year strategic plan for Film and Creative Industries Nova Scotia						

Core Business Area 1 *Industry Development*

Outcome	Measure	Data 2010–11	Data 2011–12	Data 2012–13	Estimate 2013–14	Target: 2014–15	Strategies to Achieve Target
Ensure the skills development and innovation of enterprises and individuals in Nova Scotia's creative sectors	Client feedback received from Film and Creative Industries Nova Scotia workshops, trade missions, and forums				92%	84%	Continue ongoing research into gaps/overlap in industry, and identify solutions. Offer and support professional development initiatives. Maintain Industry Strategy. Encourage adoption of new skills and technology through post-secondary industry-specific program sponsorship. Provide access for local producers to industry gatekeepers.
	Film programs:						
	Training for good jobs / workshop attendance						
	• Business Issues (attendance)	7	9	10	10		
	• Broadcaster / Distributor Forum (attendance)	45	48	46	51		
	- (pitches)	105	153	119	122		
	• Pitching workshop (attendance)	9	7	8			
	• Atlantic Mentorship Program (interns hired)	3	2	2			
	• First Feature Project (projects completed)		1	1	1		
	Third-party training:						
	• éQuinoxe Program (writer attendance)	1	1	1	1		
	• Film 5 Program (projects completed)	4	4	4	4		
	• Centre for Art Tapes (participants)	8	9	10	10		
	• NSCAD BFA program (participants)	5	5	5	5		
	• NSCAD Intermedia program (participants)		3	3			
	Music, book publishing & industry growth programs: Sampling to be used to measure overall impact on the provincial economy	—	—	—	—	TBD	

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Nova Scotia Fisheries and Aquaculture Loan Board

Business Plan 2014–2015

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Message from the Minister and the Board Chair

We are pleased to present the Nova Scotia Fisheries and Aquaculture Loan Board business plan for 2014–2015. The plan outlines the board's goals and priorities for the coming year.

The primary objective of the board continues to be the provision of financing in order to encourage, sustain, improve, and develop the fishing and aquaculture industry in Nova Scotia.

The Nova Scotia Fisheries and Aquaculture Loan Board is proud to support the province's fishers and aquaculturists in their pursuit of the many exciting opportunities that exist at home and abroad.

The Honourable Keith Colwell, Minister
Nova Scotia Department of Agriculture
Nova Scotia Department of Fisheries and Aquaculture

Mr. Roy Surette, Chair
Nova Scotia Fisheries and Aquaculture Loan Board

Mission

To serve, develop and optimize the Nova Scotia fish harvesting and aquaculture industries, for the betterment of our coastal communities and the province as a whole.

Mandate

The mandate of the Fisheries and Aquaculture Loan Board is to support the fisheries and aquaculture industry through the provision of long-term, fixed-rate lending products to those clients demonstrating sound business fundamentals and commitment to the future growth and sustainability of the industry.

The board operates as a corporation of the Crown under the authority of the Fisheries and Coastal Resources Act 1996 (the act) and in accordance with Fisheries and Aquaculture Loan Regulations made under Section 42 of the act and with board and government policy.

The act provides authority to the board, subject to the regulations to make loans and guarantees of loans to or on behalf of fishers, aquaculturists, companies, co-operatives, associations, or other persons engaged directly in the fishing industry or to or on behalf of any person for any purpose which, in the opinion of the Governor in Council, will encourage, sustain, improve or develop the fishing industry in the province.

Our History

As the primary lending and economic development agency for fisheries in the province, the Nova Scotia Fisheries and Aquaculture Loan Board has provided more than half a billion dollars in loans to fisheries and aquaculture businesses since its establishment in 1936.

The board supports growth and development in the fisheries and aquaculture industry through the provision of long-term, fixed-rate loans and financial counselling, and by providing opportunities for new operators and enterprises to enter the industry. As a Crown corporation, the board works closely with all provincial government lenders and services providers, in particular, but not limited to, the Nova Scotia Department of Fisheries and Aquaculture and the Nova Scotia Department of Agriculture.

Some of the primary strengths of the board are the availability of credit with fixed rates and stable terms, the provision of programs specifically designed to address industry needs, and an expert understanding of the fisheries and aquaculture industries.

The board maintains a significant portfolio of fisheries and aquaculture accounts. At March 31, 2013, the board's portfolio consisted of 778 accounts totaling $108,918,961.

Primary stakeholders in the Nova Scotia Fisheries and Aquaculture Loan Board include individual and potential borrowers and the Province of Nova Scotia, in particular the Departments of Agriculture, Fisheries and Aquaculture, Economic and Rural Development and Tourism, and Finance. Other key stakeholders include the various associations, groups, and councils representing industry interests, commercial lenders, boat builders, equipment and feed suppliers, and the wholesale and retail sectors; the many organizations involved in shipping and moving products around the world; and others interested in economic growth and development of rural and coastal Nova Scotia.

Planning Context

General

The fisheries and aquaculture sectors are key economic drivers of the provincial economy and are particularly important to rural and coastal communities across the province. The impacts of these sectors are apparent in communities from the tip of Cape Breton to the shores of Cape Sable Island.

Due to its export-centric nature, this industry plays a key role in bringing foreign dollars and investment to the province. The sector annually generates close to $1 billion in export value to the provincial economy. This makes fish and seafood products Nova Scotia's second largest export commodity.

As a global player, this industry is affected by many factors inherent in competing in today's global arena (such as fluctuating exchange rates, competition from low-cost-of-production regions, rising input costs, and increasing regulatory standards), not to mention local challenges such as weather and succession. Despite these factors, the outlook for this industry is very optimistic. Global demand for fish and seafood products is reaching an all-time high and is expected to continue to climb as key global economies and populations grow and develop. The province's fishers and aquaculturists possess a resolve that has already seen this industry through some very challenging times.

There is significant interest in the industry, from new entrants, that has the potential to breathe life into the many opportunities that this growing global demand represents. For example, while trade with traditional partners remains strong, there is also increasing opportunity to diversify into non-traditional markets, such as the European Union, as demonstrated by the proposed free trade agreement between the European Union and Canada, the Comprehensive Economic and Trade Agreement (CETA).

The Nova Scotia Fisheries and Aquaculture Loan Board is keenly aware of the many opportunities and challenges that exist for the fish, aquaculture, and seafood industries of Nova Scotia. The board understands and is committed to supporting industry growth and development and will continue to support the fisheries and aquaculture industry through the provision of long-term, fixed-rate lending products to those clients demonstrating sound business fundamentals and commitment to the future growth and sustainability of the industry.

Interest rates

Interest rates have remained low during the fiscal year. The Bank of Canada maintained its policy overnight rate at 1 per cent throughout 2013–2014 (unchanged since October 2010), keeping rates stable and low. Low rates have benefited industry by expanding the range of potential funding sources and allowing earlier repayment. In some cases, amounts borrowed may be higher because of these lower-than-usual rates.

Requirements for board financing are influenced by levels of investments in fisheries and aquaculture businesses, rates of capitalization, general economic conditions, and the availability of funding from commercial lenders. The board continues to offer fixed-interest-rate loans, with rates fixed for the full amortization period of the loan. Other loan options may be considered for implementation in the coming fiscal years. Decisions on loan product changes will follow and flow from the board's mandate review and strategic planning process, which is currently underway and scheduled to be completed in 2014–2015.

Lending demand

Total new loan advances over the past decade have ranged from $14 million to $25 million. Requirements for 2014–2015 are expected to be in the upper end of this range. The capital authority of $35 million in 2014–2015 is expected to provide flexibility in responding to client borrowing needs.

The board will seek to operate on a cost-effective basis and meet client credit needs, providing credit services, support to new entrants, risk analysis, and collaboration with departments and industry. The board intends to remain flexible in its approach and will be open to any type of development, loan products, or ventures that aid fisheries and aquaculture development in Nova Scotia.

Ongoing Planning Focus

Lending

The board understands its role in supporting, through lending, the long-term viability and development of the fisheries and aquaculture industries of the province. The primary role is to ensure that loan financing is available to clients who have a reasonable likelihood of success but are unable to obtain financing at reasonable rates because they are new, they participate in a sector that has cycles of profitability, or for other reasons they find that banks are tightening credit.

The board also lends to clients who may have access to commercial lending. It does this to provide stability in the availability of funds and interest rates by offering fixed rates for up to 20 years. This allows those successful clients to continue a financing relationship that may span many years, and build into their risk profile the stability that comes with a lender that has a long-term commitment to fisheries and aquaculture, offers fixed rates, and can be patient during poor business cycles.

The board may, on occasion, act to assist fisheries and aquaculture businesses or clients who experience financial difficulty when dealing with a commercial lender even though the business itself appears viable, given patience, and any lending losses already experienced are borne by the initial lender.

Lending program and services will meet these objectives by providing knowledge of fisheries and aquaculture, long-term client relationships, a client focus in developing and providing services, flexibility in lending services and repayment, counselling services, support for new entrants, and long-term lending.

When it is possible to broaden services available to clients by collaboration with other lenders, joint lending relationships will be pursued.

While ability to repay remains the basic criterion for granting loans, business planning practices and procedures will continue to be considerations required for industry and individual growth and sustainability.

The risk manager function, implemented in 2013–2014, has improved risk analysis and loan criteria and has been made a part of the board's ongoing loan approval process. The board will continue to work toward strengthened lending and management information to meet lending, decision-making, and financial reporting requirements.

To ensure that Nova Scotia Fisheries and Aquaculture Loan Board is optimizing its contribution to industry growth and development in the current industry and credit environment, a mandate review, which began in 2013–2014, will continue to completion in 2014–2015. This review will assess how well the board's programs and services align with industry needs, and it will identify opportunities to better align with those needs.

Strategic Goals

The following goals have been developed to meet the board's mandate and, at the same time, support the established goals of the Province of Nova Scotia:

1. Growth in the rural economy, specifically in coastal communities.

Providing flexible loan products adapted to the needs of the fisheries and aquaculture industry.

2. Increase in the number and success of participants in fisheries and aquaculture sectors.

Providing lending support at the development and entry level for fisheries and aquaculture businesses so as to ensure that the industry will be maintained and have an opportunity to grow; and accepting that this focus may entail relatively high risk.

3. Sound board and client loan performance.

Financial counselling provides guidance to clients as they manage business income and resources. Project assessments help the industry to be successful and also reduce the potential of delinquent accounts.

Core Business Areas

In keeping with the goals of the board, the Department of Fisheries and Aquaculture, and government, the following represents the board's priorities for 2014–2015.

Core Business Area: Lending

Providing long-term, fixed-rate, asset-based credit for the development of the fish harvesting and aquaculture industries is the primary mandate of the Nova Scotia Fisheries and Aquaculture Loan Board. This includes loan product development, loan service development, client service and administration, and efficient and responsible financial management. It also includes financial analysis and counselling.

Financial counselling is provided by loan officers as a component of loan-analysis meetings with clients and potential clients and includes assessment of projects under consideration. Loan officers assist in sourcing the best available credit.

By providing a reliable source of flexible, asset-financed credit, the board directly provides opportunities for development and growth of the fisheries and aquaculture industry. It also indirectly influences credit availability at reasonable rates through its influence on, and partnership with, other participants in the lending industry.

Loan demand was stronger than average throughout 2013–2014, and this is expected to continue into 2014–2015. Loan requirements are affected by the availability of credit and rates available from commercial lenders, developments within the industry, and expectations about future interest rates.

Priorities for 2014–2015

Lending

Provide up to $35 million of new loan capital to the fisheries and aquaculture industry in the 2014–2015 fiscal year.

Lending capacity at this level supports the industry's need for access to fixed-rate, long-term loans. It supports the development of fisheries and aquaculture businesses by allowing for sustainability, improved efficiency, productivity and profitability, adoption of new technologies and practices, and growth and development of new and existing operations. During 2013–2014, the board is forecast to advance $17.34 million and receive principal repayments of $16.6 million. Actual lending requirements vary from year to year depending on opportunities identified.

The board will continue to investigate possible new loan products to meet client needs in 2014–2015 and forward.

Credit Counselling and Risk Management

The board places importance on maintaining an understanding of the fisheries and aquaculture industry, on the development of relationships with clients and understanding their needs, on flexibility in dealing with individual circumstances, and on confidential credit counselling services.

Accounts are managed so that write-offs and arrears conditions are monitored and minimized in relation to the portfolio size, while supporting industries and individuals through cyclical downturns and working toward the best outcome for all parties.

This approach includes accurate and appropriate security appraisals and evaluations for loans, monitoring arrears and financial counselling, particularly for new clients and clients identified as having financial difficulty.

Lending will continue to be directed toward viable enterprises and projects with potential to repay and acceptable security to support the loan. During financially difficult times, the board is committed to assisting those operations that appear to have a long-term future and a commitment to meet their obligations. This may include deferral of payments, restructuring of debt, financial counselling, and/or referral to other relevant services.

The board will provide credit counselling and follow-up for clients with repayment difficulties.

The independent credit risk assessment position implemented in 2013–2014 has been demonstrated to add significant value to board decisions and will be funded on a permanent basis.

Support for New Entrants

The board recognizes the importance of assisting new entrants to the fishing and aquaculture industry. It will do so by providing guidance and advice, working with other staff and programs of the department, and funding projects with viable business plans but limited experience.

The board also delivers the Loans for Licenses program, which was established in 2009–2010. This program supports succession in the industry, providing loans with attractive terms to new entrants or those who want to diversify their business operations to include the harvest of species they haven't harvested in the past. The board's new-entrants programs are designed to reduce the initial capital investment required by the borrower in order to provide increased opportunity for business success.

Mandate Review

To ensure that Nova Scotia Fisheries and Aquaculture Loan Board is optimizing its contribution to industry growth and development in the current industry and credit environment, a mandate review, which began in 2013–2014, will continue to completion in 2014–2015. This review will assess how well the board's programs and services align with industry needs, and it will identify opportunities to better align with those needs.

Budget Context

Nova Scotia Fisheries and Aquaculture Loan Board Operational Income Statement

	Estimate 2013–14 ($ 000)	Forecast 2013–14 ($ 000)	Estimate 2014–15 ($ 000)
Revenues			
Interest revenue	7,800	7,500	7,800
Loan fees	150	150	150
Total revenue	**7,950**	**7,650**	**7,950**
Expenses			
Interest expense	4,600	4,600	4,600
Operating expenses	687	903	762
Bad debt expense	78	0	78
Total expenses	**5,365**	**5,503**	**5,440**
Net income (loss)	**2,585**	**2,147**	**2,510**
Transferred to the province	(2,585)	(2,147)	(2,510)
Remaining	**0**	**0**	**0**

Notes:

See year-end annual reports for complete financial information and notes (www.novascotia.ca/fish/about-us/business-plans-and-accountability-reports/).

Interest expense is established under terms of a Memorandum of Understanding arranged with the Department of Finance.

Capital Funds

	Forecast 2013–14 ($ 000)	Estimate 2014–15 ($ 000)
Opening principal	**106,436**	**107,083**
Add loan advances	17,340	25,000
Less repayments	(16,600)	(20,800)
Less principal written off	(93)	(2,000)
Closing principal	**107,083**	**109,283**
Provision for impaired accounts		
Opening provision	**2,446**	**2,353**
Less accounts written off	(93)	(2,000)
Additions (principal portion of bad-debt expense +/– adjustments)	0	78
Closing allowance	**2,353**	**431**

Outcomes and Performance Measures

Core Business Area *Lending*

Outcome	Measures	Data	Targets 2014–15	Ultimate Target	Strategies to Achieve Target
Development of new fishery enterprises	Loan Advances	2006-07: $16 million 2007-08: $15 million 2008-09: $7 million 2009-10: $25 million 2010-11: $15 million 2011-12: $21 million 2012-13: $16 million	Increase annual advances	Increase annual advances over previous year	Work with industry and government Provide financing for the harvesting of underutilized species Loan advances as of March 31, 2013 were $16 million
Improved lending programs for the fishing and aquaculture industries	Increase in loan portfolio	2006-07: $83 million 2007-08: $90 million 2008-09: $84 million 2009-10: $95 million 2010-11: $104 million 2011-12: $109 million 2012-13: $106 million	Annual increase in loan portfolio	Annual increase in loan portfolio over previous year	Support financially viable operations As of March 31, 2013, the loan portfolio was $106 million
Arrears level	% of accounts in arrears	2006-07: 1.6% 2007-08: 2.0% 2008-09: 3.7% 2009-10: 5.79% 2010-11: 3.3% 2011-12: 3.3% 2012-13: 3.7%	Less than 5%	Less than 5% year to year	Fisheries Loan Board loans remain secure when considering boat values and aquaculture securities Loan balances reducing as per repayment schedule As of March 31, 2013, 3.7% of principal was in arrears

Board of Directors

The board currently consists of the following directors, with successful careers in fisheries, aquaculture and related businesses, who govern policies, consider loan requests, receive reports on operations and clients, and provide strategic direction for the board.

Mr. Roy J. Surette, Chair

Roy was appointed to the Nova Scotia Fisheries and Aquaculture Loan Board effective June 7, 2011, for a term expiring June 6, 2014. Roy is a retired career banker, having worked in various locations in the province. He has served on various boards both federally and provincially, including the Atlantic Fisheries Licensing Appeal Board (AFLAB), Nova Scotia Community College (NSCC), and Université Sainte-Anne. He has been involved with the Nova Scotia Fisheries and Aquaculture Loan Board since 2009, serving both as member and chair.

Mr. G A (Jerry) Amirault, CA, Director

Jerry was appointed to the Nova Scotia Fisheries and Aquaculture Loan Board effective July 3, 2012, for a term expiring July 2, 2015. Jerry has been active with many Canadian industries for the past 40 years in a senior management role, always with an interest in facilitating change where the challenges are many. Since 2000, he had been involved in lobster, snow crab, and herring, facilitating co-operation in all the industry sectors to advance their growth. From 2005 to 2011, he was a member of the team at the Atlantic Veterinary College Lobster Science Centre (AVCLSC) as the executive director. He was born in Yarmouth and currently lives on his farm in Tatamagouche, NS, where he is also very active in the community.

Mr. Edmond AuCoin, Director

Edmond was appointed to the Nova Scotia Fisheries and Aquaculture Loan Board effective December 10, 2012, for a term expiring December 9, 2015. Edmond possesses a diverse range of industry-related experience, including approximately 20 years in harvesting, processing, buying, and selling fish and fish products. He has served on various boards both federally and provincially, including the Atlantic Fisheries Licensing Appeal Board (AFLAB).

Mr. Peter Burnie, Director

Peter was appointed to the Nova Scotia Fisheries and Aquaculture Loan Board effective December 10, 2012, for a term expiring December 9, 2015. Peter grew up in a fishing family and has been extensively involved in the fishing industry as a fisherman and entrepreneur for more than 30 years. His experience spans many sectors of the industry, including harvesting, processing, buying, selling, and distributing both groundfish and shellfish. He is currently president and CEO of Mariners Choice Fish Products and Little Lahave Trawlers.

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Harbourside Commercial Park Inc.

Business Plan 2014–2015

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Message from the Minister and the President

Harbourside Commercial Park Inc. (HCPI) began operations as a Crown corporation during the 2007–2008 fiscal year, with the mandate to manage the commercial development of remediated areas of the former Sydney Steel property.

Since the opening of the first phase of the commercial park, levels of employment have steadily increased. The 15 businesses within the park have 152 full-time employees plus an additional 96 part-time workers.

Harbourside Commercial Park personnel are actively dealing with prospective tenants interested in land and building purchases. Because of demand, the park has reached full capacity for rental of available office space in existing buildings.

Harbourside Park has contributed, and continues to contribute, to the local economy and provides an excellent area for new and existing businesses to develop. The 2014–2015 fiscal year looks very positive, as new tenants choose Harbourside as their business location.

The Honourable Geoff MacLellan
Minister of Transportation and Infrastructure Renewal

Gary Campbell, President,
Harbourside Commercial Park Inc.

Mission

To develop and maintain a viable industrial and commercial park, comprising properties formerly owned by Sydney Steel Corporation (Sysco), including maintenance of buildings and grounds, and the sale and lease of real estate for commercial purposes.

Planning Context

As a Crown corporation, Harbourside Commercial Park Inc. (HCPI) reports to a board of directors. The Minister of Transportation and Infrastructure Renewal is the minister responsible for the Crown corporation. HCPI maintains its office in Sydney, Nova Scotia, along with a presence at the department's head office in Halifax. The address for HCPI's website is http://www.harcom.ca.

HCPI is responsible for the remediated lands on the former Sysco property. HCPI was incorporated in August 2006 and began operations April 1, 2007. HCPI is also responsible for Sydney Utilities Limited (SUL), which is a wholly owned subsidiary of HCPI. SUL is responsible for the control of the two water utilities that had been part of the Sysco infrastructure and a substantial water supply for the regional municipality and industrial activities at the former Sysco site.

Approximately 187 acres of the former Sysco site have been remediated to industrial standards. In 2014–2015, HCPI will purchase Phase IV and Phase V of the former Sysco property at fair market value. HCPI will manage the process of selling or leasing this property to commercial users and will manage existing tenants currently in place.

The remainder of the Sysco site will be remediated over time. As additional parts of the site are cleaned and available for sale or lease, it is intended that HCPI will purchase the property from Sysco.

HCPI will be guided by important key principles. These principles include strict attention to environmentally safe practices, a strong commitment to the health and safety of workers, respect for local communities, adherence to fiscal responsibility and public accountability, and the practical use of local labour and supplies.

Strategic Goals

HCPI's overall strategy is to advance its objectives with respect to establishing a fiscally viable commercial business park at the former Sysco steel mill site.

More specifically HCPI will

- continue to develop Harbourside Commercial Park into a premier commercial and marine park, through marketing and site development
- provide business and other opportunities to the communities of the Cape Breton Regional Municipality
- expand and evolve the site as property is remediated and purchased from Sysco
- maintain sound health and safety practices in order to minimize the potential risk of injury to workers, visitors, tenants, suppliers, and others who may visit the site

- maintain adequate security on the site to prevent the loss of provincial property and site assets

Core Business Areas

The following are the core business functions of HCPI.

HCPI Operations

The location of HCPI is ideal as a commercial business park. HCPI's core objectives are the continued property management and operation of the park and all associated buildings and marine facilities.

Pictou Wharf Activities

The work at the wharf is nearing completion. The electrical installation will be completed by the end of May. We will develop an operating protocol to allow full use of the dock area. Advertising will be done, with HCPI managing operations at the wharf.

Planning for Future Site Development and Use

As more property is remediated and purchased, HCPI will continue to participate in the development of a long-term plan that clearly establishes its vision for the site and adjacent properties. Included in the planning document will be potential uses of the land and a strategy to attract to the park new businesses that support the vision. The former Coke Ovens property will become available for commercial development. The Sydney Tar Ponds (Open Hearth Park) and adjacent area will enhance the commercial attractiveness of the business park.

Priorities for 2014–2015

HCPI Operations

- Continue to develop and implement marketing strategies promoting the commercial park.
- Continue to attract new tenants to the commercial park.
- Enhance the third and fourth development phase of the Sysco site, through infrastructure development and aesthetic enhancement, making the site attractive to business and the community.
- Purchase the Phase IV and Phase V land from Sysco and transfer to HCPI.
- Intricately link the Open Hearth Park to Harbourside Commercial Park to enhance land value and attractiveness.
- Continue to update HCPI's website as a sales and information tool promoting the park.
- Develop protocols to allow for commercial development of the Coke Ovens site (Harbourside East).

Development of Infrastructure on Existing Remediated Lands

- Improve marketing and signage for the park.
- All roads in the Phase I to III areas of the park have been turned over to CBRM.

Planning for Future Site Development and Use

- Work with key stakeholders to expand our vision for the future of the park and adjacent Tar Ponds and Coke Ovens site properties.
- Sale of land to Cape Breton Explorations (CBEX) will be completed and construction of a biomass generating station will begin this summer.
- Sale of land to Nova Scotia Lands for construction of a maintenance building.
- Development of the property sold to Horizon Achievement Centre.
- Sale/lease of administration building.
- Sale of 4 acres of land to Department of Education.

Budget Context

	Estimate 2013–14 ($)	Forecast 2013–14 ($)	Estimate 2014–15 ($)
Revenues			
Leases and rent	975	774	831
Sale of land	31	48	156
Other	66	51	24
Total revenue	**1,072**	**873**	**1,011**
Expenses			
General operating expenses	825	738	782
Management fees	100	80	91
Total expenses	**925**	**818**	**873**
Net income (loss)	**147**	**55**	**138**
Capital expenditure	1,350	0	1,000

Note: HCPI does not have any employees. HCPI contracts with NSLI for the operation, project management, and marketing of the park.

Outcomes and Performance Measures

Core Business Area 1 *HCPI Operations*

Outcome	Measure	Base Year	Target: 2014–15	Trends	Strategies to Achieve Target
Continued management of the park	Number of property sales and leases	2008–09	Four properties sold	2014–15: 100%	Continue marketing activities
Rehabilitation of Pictou Wharf	Upgrading of wharf area	2013–14	Operational by end of summer	2014–15: 100%	Electrical work to be completed end of May
Transfer of Phase IV/V land to HCPI	Remaining Sysco land transferred to HCPI	2011–12	All land transferred	2014–15: 100%	Payment for remaining lands to occur this year

Core Business Area 2 *Sydney Utilities Activities*

Outcome	Measure	Base Year	Target: 2014–15	Trends	Strategies to Achieve Target
Transfer of SUL assets to HCPI	HCPI to take over SUL's responsibilities	2012–13	100% turnover of assets completed	2013–14: 100%	Transfer completed

Core Business Area 3 *Planning for Future Use*

Outcome	Measure	Base Year	Target: 2014–15	Trends	Strategies to Achieve Target
Land use plan to be expanded to include Coke Ovens site	Develop operating and sales protocols for Coke Ovens land	2014–15	Plan for Coke Ovens site	2014–15: 100%	Arrange for completion of Lingan/SPAR Rd intersection
Use of Open Hearth Park concession building	Develop and implement an RFP	2014–15	Operational concession area	2014–15: 100%	Award contract

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Housing Nova Scotia

Business Plan 2014–2015

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Message from the Minister and CEO of Housing Nova Scotia

It is truly a pleasure to present Housing Nova Scotia's business plan for 2014–2015. It outlines the government's approach to the delivery of innovative strategies aimed at providing more opportunities for Nova Scotians to live in a good home that they can afford, in a healthy, vibrant community that provides the support and services they need.

Research has shown that affordable housing is one of the key contributors to the overall health of people and society. It is the foundation of social inclusion and healthy communities. In fact, our homes shape nearly every aspect of our lives: health, educational achievement, success in the workplace, even the security of our retirement and our dignity in our golden years.

That impact extends to the broader community, too. The right housing choices can mean safer, more sustainable, and more vibrant communities. They enable public services to be more efficient and effective and businesses to be more diverse and prosperous. They help heal social divisions and make our province stronger.

Providing the right housing choices to Nova Scotians is what motivates Housing Nova Scotia employees each and every day. As we move forward, our agency will deliver those choices on the basis of the provincial housing strategy. It will leverage its authority and financial capacity to invest and support affordable housing development, help low- and moderate-income Nova Scotians with their housing needs, and create strategic partnerships with businesses, non-profit groups, and municipalities.

One of our key priorities in 2014–2015 will be to fulfill the government's commitment to invest federal contributions available to the province. This investment is part of our plan to ensure the health and safety of all our tenants. We will also develop a strategic plan to better support the long-term sustainability of housing co-operatives in our portfolio.

Housing Nova Scotia will initiate a number of strategic actions to help low- and moderate-income individuals access home ownership specific to our Bloomfield development project. Through innovative financing options, we can keep the dream of home ownership alive for many Nova Scotians.

For the future, Housing Nova Scotia must look beyond just tenancy management and building new homes. We must also focus on finding ways to provide services that help every Nova Scotian have a safe place to live at a price they can afford. It's all about opening possibilities.

Joanne Bernard
Minister responsible for Housing Nova Scotia

Kevin Malloy, CEO
Housing Nova Scotia

Mission

To deliver innovative housing strategies that will ensure Nova Scotians can find a home that's right for them and their families, at a price they can afford, in a healthy, vibrant community that provides the services and support they need.

Planning Context

Despite living in one of the most affordable jurisdictions in North America, too many Nova Scotians find themselves in core housing need or simply unable to afford to build equity through home ownership. Housing costs, both for rental homes and homes for purchase, have increased dramatically. Many homeowners and tenants alike have to divert a significant portion of their disposable income into meeting mortgage and rental payments.

Between rising rents and mortgages and the segregated nature of a lot of social housing, there's a growing strain on our communities. As shown in recent data from the Canada Mortgage and Housing Corporation (CMHC), the private sector is focusing more and more on high-end, exclusive developments that, in some instances, lack street life, public services, and vitality. And many rural communities are seeing their young people leave, while older people need more services with fewer family members to help them.

In 2013, the province released a housing strategy that was the result of thoughtful contributions of more than 500 organizations and individuals who participated in an extensive public consultation process. It delivers bold new approaches and sets a new course on how we tackle housing affordability, home ownership, homelessness, and other pressing housing issues.

In the summer of 2013, the former Nova Scotia Housing Development Corporation was renamed Housing Nova Scotia (HNS) to begin this transformation. In 2014–2015, a new advisory board will be created to help guide the efforts of the corporation and have ongoing influence on housing policies from various sectors.

In 2014–2015, Housing Nova Scotia will begin to implement the provincial housing strategy by developing a continuous planning process, which will result in a multi-year business plan. As HNS works toward its goals, this plan will be reviewed annually. This annual business plan outlines the key initiatives of the organization for the current year.

Strategic Goals and Outcomes

Housing Nova Scotia's strategic direction is guided by the key pillars of the 2013 provincial housing strategy. It moves our province forward in the five key areas:

1. fostering healthy, vibrant, and diverse communities
2. ensuring a range of affordable housing options for owners and renters
3. offering paths to ownership that helps Nova Scotians become homeowners
4. building partnerships with communities, residents, businesses, non-profit organizations, and local governments

5. supporting independence, inclusion, and dignity for seniors, people with disabilities, and vulnerable Nova Scotians

More information on the housing strategy can be found here: http://housingns.ca/sites/default/files/Housing_Strategy.pdf

Through strategic partnerships with private and community sectors, we will deliver innovative ways to support Nova Scotians on low-to-moderate income. These relationships will strengthen our capacity to deliver the housing supply and choice that Nova Scotians demand. Indeed, this innovation has already commenced. Housing Nova Scotia has initiated a review of its governance structure and, in 2014–2015, will create a ministerial advisory board to guide its efforts.

Core Business Areas

In response to the provincial housing strategy, Housing Nova Scotia will extend its areas of involvement well beyond its current delivery of housing services. The new advisory board will be responsible for providing input into new client strategies. This will ensure that we are providing the supports and management practices necessary to improve the well-being of our clients.

We will accomplish our mandate through the effective management of

1. Portfolio Management
   a. Public housing (property renewal & tenancy management)
   b. Land acquisition and disposal
2. Housing Development
   a. Mixed-income, mixed-tenure development
   b. Neighbourhood Revitalization Initiative
3. Financial Assistance
   a. Private rental market (rent supplement)
   b. Home ownership and equity programs
   c. Home repair and adaptation programs
   d. Rental housing
   e. Homelessness initiatives
4. Strategic Partnerships
   a. Community housing
   b. Municipalities
5. Supporting systems
   a. Policy, research, & monitoring
   b. Regulation and governance

Priorities for 2014–2015

To deliver on the strategic goals outlined in this plan, Housing Nova Scotia will focus its attention on the following key priorities for 2014–2015.

Increase affordable housing options through innovative approaches

The way we develop our housing, communities, and public spaces underpins the health and well-being of the people who live there, their sense of connection, and the ease with which their needs can be met. It promotes a sense of vibrancy, a place of activity and interest, and a place to meet and be with others.

Creating new neighbourhoods and renewing existing ones to deliver better places to live will improve the overall health and quality of life of Nova Scotians. These places will maximize access to transportation, jobs, education and services and provide a diverse mix of housing that is affordable for people to rent or buy.

In 2014–2015, Housing Nova Scotia will take the following action to increase affordable housing options:

- Obtain a Development Agreement from HRM to allow the construction of phase 1 of the Bloomfield redevelopment project.
- Facilitate or partner with non-profit and private developers to deliver demonstration projects that highlight well-designed, mixed-income, and mixed-use developments in smaller towns.
- Develop a new Neighbourhood Revitalization Initiative.
- Optimize government land resources.
- Identify housing development and home ownership opportunities by working with non-profit organizations, such as Habitat for Humanity, who support homeownership for low and modest income Nova Scotians.

Create home ownership opportunities for low- to modest-income Nova Scotians

Rising costs of construction, in tandem with the tightening of CMHC mortgage rules, make it increasingly harder to buy a home, especially for first-time home buyers.

Using its ability to loan money, the corporation can play a leadership role in developing innovative financing solutions and lease-to-own opportunities. The provision of home finance through Housing Nova Scotia will generate significant financial benefits to the province as a whole. Benefits include dividend (interests generated from loans) and tax equivalents to the government and reduced dependency of low-income households on public rental housing support. It will also create a new market for financial institutions, since more people will now qualify for a mortgage.

In 2014–2015, Housing Nova Scotia will initiate a number of strategic actions to assist low- and moderate-income Nova Scotians specific to the Bloomfield development, such as

- providing an equity pathway to home ownership
- introducing innovative financial assistance products aimed at supporting low- and modest-income Nova Scotians buying their own homes
- offering home ownership classes for modest income households interested in buying their first home
- developing a strategic plan to better support the long-term sustainability of housing co-operatives in our portfolio

Preserve our aging social housing stock by leveraging the DFC fund (deferred federal contribution)

Nova Scotia has one of the oldest social housing stocks in the country. Many of our buildings were built in the 1970s and 1980s, and investments are needed to ensure that our tenants live in safe and well-maintained properties. Over the last few years, unspent money received under the Nova Scotia–Canada social housing agreement was put in a deferred federal contribution (DFC) fund.

In 2014–2015, the corporation will do the following:

- Complete the investment of $4 million in five key areas: heating upgrades, making our properties more accessible, replacing structural components such as roofing and windows, upgrading sprinkler and fire alarm systems, and replacing flooring.
- Identify areas of greatest needs and present government with more investment opportunities to preserve our stock of social housing.
- Continue our work to revitalize our seniors buildings.

Reduce homelessness and assist the most vulnerable Nova Scotians

For the most vulnerable Nova Scotians – seniors, persons with disabilities, and the homeless – a home can be their safe haven. Housing that can accommodate their needs, and provide them ready access to the support and services that they rely on, allows them to live and age with dignity and independence. The ability to cost-effectively support seniors will become increasingly important as the population ages.

Housing Nova Scotia's commitment to this priority area includes the following:

- Identify opportunities to include supported and accessible units designed directly into housing development.
- Promote affordable housing that meets universal design standards, and explore design options that maintain affordability.
- Invest $1.5 million in the Senior Citizens Assistance Program (SCAP).
- Take part in the United Way Partnership on Homelessness and Affordable Housing to ensure appropriate responses to homelessness in areas of greatest need in HRM.
- Work with the shelter community, and build on the success of the Housing Support Worker program to develop a Housing First approach that will help break the cycle of homelessness.

Promote strategic partnerships

Real success can only be achieved through a collaborative approach across government, non-profit, and commercial housing providers. Nova Scotians expect Housing Nova Scotia to show leadership and dynamic thinking around new programs and partnership models that would have a sufficient level of flexibility to enable creative community based ideas.

Our goal is to actively seek and develop genuine partnerships that strengthen the capacity of the non-profit providers and support the private sector. In 2014–2015, Housing Nova Scotia will

- sponsor targeted industry, community, and government initiatives, such as specialized workshops for homebuilders
- develop tools such as density bonusing with a goal to increase density and overall housing affordability
- support a strong non-profit housing sector by taking steps to strengthen relationships and building capacity
- support the development sector in promoting smaller, more-energy-efficient homes as a sustainable way to increase the supply of affordable homes

Develop a new governance model

In order to achieve its goals, Housing Nova Scotia requires a new governance model to transform itself in becoming a social enterprise that will generate significant economic activity, additional revenue streams, and make a significant social impact. Key activities in 2014–2015 will include

- creating an advisory board
- introducing legislative changes to provide authority to the position of chief executive officer
- reviewing governance options and make recommendations to the Minister

Budget Context

	Estimate 2013–14 ($000)	Forecast 2013–14 ($) ($000)	Estimate 2014–15 ($) ($000)
Funding Source			
Revenue from government sources	106,045	104,344	105,759
Revenue from rents	52,975	53,500	54,046
Interest, revenue from land sales, and other revenue	30,380	35,317	34,445
Total Funding	**189,400**	**193,161**	**194,250**
Expenditure Source			
Interest on long-term debt	44,100	43,642	43,592
Property management and operation	53,500	57,361	57,169
Maintenance and capital improvements	32,500	32,586	34,771
Housing Renovation and Affordable Housing	21,900	23,299	21,530
Social housing subsidies	17,100	15,773	15,388
Depreciation of investment in social housing	17,800	18,800	18,800
Administration fee and cost of land sold	2,500	1,500	0
Housing Strategy		200	3,000
Total Expenditures	**189,400**	**193,161**	**194,250**

Performance Measures

Fundamentally, Housing Nova Scotia's mission is to improve the quality of life and well-being of Nova Scotians by satisfying the basic human need for shelter. In a broader context, housing that is safe and affordable contributes to a better quality of life.

Housing Nova Scotia will develop a three-year strategic plan with clear and broad accountabilities that articulate the expectations of government, including annual planning and reporting requirements. In collaboration with the new advisory board, the corporation will create a new accountability and performance framework, which could outline new performance expectations associated with tenant and employee satisfaction, financial performance, affordable housing development, and environmental standards.

Through primary data collection and focus groups, Housing Nova Scotia will establish elements that citizens identify as key indicators of improvement in their overall well-being outcomes.

The following performance measures will be used to help track the corporation's progress toward achieving its strategic goals in 2014–2015:

Outcomes and Performance Measures

Key Outcome 1 *Fostering healthy, vibrant, and diverse communities*

Measure	Data	Target	Trends	2014–15 Strategic Actions
# homes preserved through major health and safety-related repairs	Base year 2011–12: 2,353	2,700	2011–12: 2,353 2012–13: 2,575	Deliver funds available under the Canada/Nova Scotia Agreement for Investment in Affordable Housing 2011–2014
# of mixed-use, mixed-income developments initiated (greater than 20 units)	New measure starting in 2014–15	2	n/a	HRM Bloomfield redevelopment in Halifax College Park in Windsor (new raw land development) Number of affordable housing projects funded under the New Rental Program
# of neighbourhood improvement initiatives started	New measure starting in 2014–15	2	n/a	Continue progress on Alice Street project in Truro Designate another neighbourhood in 2014–15 and introduce initiatives/pilot projects appropriate for that neighbourhood
# of public housing capital investment initiatives	Base year 2012–13: 144 projects completed ($3.26 million)	100 projects completed ($4.0 million)	2012–13: 144 projects completed ($3.26 million) 2013–14: 104 projects completed ($3.1 million)	Complete the investment of $4 million in five key areas: heating upgrades, making our properties more accessible, replacing structure components such as roofing and windows, upgrading sprinkler and fire alarm systems, and replacing flooring Identify areas of greatest need and develop a multi-year capital improvement plan for provincially owned public housing stock

Key Outcome 2 *Ensuring a range of affordable housing options for owners and renters*

Measure	Data	Target	Trends	2014–15 Strategic Actions
# of new units created in mixed-use and mixed-income developments where we have investment (greater than 20 units)	New measure starting in 2014–15	40	n/a	Develop mixed-use and mixed-income developments in HRM and in smaller towns Obtain the necessary development approvals to begin construction of phase 1 of the Bloomfield redevelopment project in HRM Obtain the necessary planning and subdivision approvals to begin developing phase 1 of College Park in the Town of Windsor Affordable Housing New Rental Program investments in mixed-use, mixed-income projects Develop a new provincial Neighbourhood Revitalization initiative

Key Outcome 3 *Offering paths to home ownership that help Nova Scotians become homeowners*

Measure	Data	Target	Trends	2014–15 Strategic Actions
# of individuals who complete home ownership classes	New measure commencing in 2014–15	20	n/a	Provide an equity pathway to home ownership for social housing tenants Work with CMHC and Habitat for Humanity to offer home ownership classes to potential home buyers Develop innovative financial assistance products aimed at supporting low- and modest-income homeowners. Develop a strategic plan to support the long-term sustainability of housing co-operatives in our portfolio

Key Outcome 4 *Supporting independence, inclusion, and dignity for seniors, people with disabilities, and vulnerable Nova Scotians*

Measure	Data	Target	Trends	2014–15 Strategic Actions
# of seniors or persons with disabilities helped by health and safety-related repairs or home adaptations that will enable them to continue to live independently in their own homes and communities	2011–12: 955	1,000	2011–12: 955 2012–13: 994	Continue to deliver home repair/adaptation programs targeting seniors, who are at least 65 years of age, and individuals with disabilities.
# of individuals being housed in a supportive environment	New measure starting in 2014–15	50	n/a	Work with HRM United Way Partnership partners to implement a Housing First model targeting chronic and episodic users of the emergency shelters in HRM
# of service providers being supported	2011–12: 14 non-profit organizations	10 non-profit organizations	2011–12: 14 non-profit organizations involving 147 beds/ self-contained units 2012–13: 9 non-profit organizations involving 280 beds/ self-contained units	Work with HRM United Way Partnership partners to implement a Housing First model targeting chronic and episodic users of the emergency shelters in HRM Continue to deliver funds available to assist non-profit service providers that offer housing for victims of domestic violence

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Nova Scotia Lands Incorporated

Business Plan 2014–2015

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Message from the Minister and the President

Since its establishment in 2006, Nova Scotia Lands Inc. (NSLI) has achieved very steady progress in several major environmental and site redevelopment areas. The decommissioning of the Sydney Steel Corporation (Sysco) plant has been completed, as well as the environmental cleanup of the 185 hectare site. The first two phases, totalling 48 hectares (120 acres) have been completely serviced and turned over to Harbourside Commercial Park Inc. (HCPI) for commercial development. Phases III and IV will be turned over and paid for out of this year's budget for a total of 189 acres (75 hectares). On the remaining portion of the former Sysco steel plant site, slag reclamation and sales will continue.

In 2014–2015, the principal role of NSLI will be to continue activities at the former Sysco site, recycle any remaining products of value, and put in place the necessary infrastructure for continued management of the commercial park facility on behalf of HCPI. Working in collaboration with HCPI, we will continue to assist in marketing this park to regional, national, and international interests. NSLI will also put to use its substantial environmental cleanup experience to deal with other contaminated sites. NSLI will assume the role as custodian of former Tar Ponds and Coke Ovens sites, ensuring appropriate long-term maintenance and monitoring while encouraging use and development of the sites.

In 2014–2015, NSLI will continue management of the Bowater site. We are also continuing to manage the Pictou Wharf facility, which includes major upgrades to the dock utilities and fender systems. NSLI will also manage the reclamation and cleanup of the *MV Miner* on Scaterie Island.

Co-operative efforts will continue with a number of regional municipalities in planning for viable reuse of provincially owned properties in order to help municipal governments rebound from the loss of a major industry.

The Honourable Geoff MacLellan
Minister of Transportation and Infrastructure Renewal

Gary Campbell
President, Nova Scotia Lands Inc.

Mission

To prioritize for action, assess, and, where necessary, remediate provincially owned properties, with the objective of returning these lands to reusable condition, with no substantial safety or environmental concerns.

Planning Context

As a Crown corporation, NSLI reports to a board of directors consisting of senior provincial officials. The minister responsible for the Crown corporation is the Minister of Transportation and Infrastructure Renewal (TIR). NSLI maintains an office in Sydney, Nova Scotia, along with a presence at TIR's head office in Halifax. NSLI's website address is http://www.nslands.ca.

NSLI was incorporated in August 2006 and began operations effective April 1, 2007. In recognition of the planned windup of Sydney Steel Corporation (Sysco), it was determined that future activity related to the continued remediation of Sysco's property would be conducted by NSLI. Approximately 75 hectares (189 acres) of the former Sysco site has been completely remediated to industrial standards and has been developed as a major industrial park facility. The remainder of the Sysco site comprises the slag dump area, and this product will be mined as required by market conditions.

It is anticipated that Harbourside Commercial Park Inc. (HCPI), another provincial Crown corporation, will continue to market, sell, and lease reclaimed properties. NSLI has entered into a management agreement with HCPI whereby NSLI supervises the operations of the commercial park as well as assisting in marketing the park.

Throughout its operations, NSLI will be guided by important key principles. These principles include strict attention to environmentally safe practices, a strong commitment to the health and safety of workers, respect for local communities, adherence to fiscal responsibility and public accountability, and the practical use of local labour and supplies.

Some of the challenges that NSLI faces in managing the remediation of the former Sysco site pertain to the changing environmental regulations. While extremely important, they do have an impact on the timing of the cleanup of the former site. Determining the extent of the environmental remediation required on sites owned by the former Sydney Steel Corporation that are outside the Sysco site also presents a challenge.

In addition to management of the Sysco and Tar Ponds properties, NSLI will work in partnership with provincial government agencies and departments as it plays a new role in providing management, operation, security, and administrative services in the remediation of environmentally challenged sites under the control of the Province of Nova Scotia.

Strategic Goals

NSLI's Strategic Goals

1. Provincially owned lands in need of remediation are made safely and environmentally reusable.
2. Designated provincially owned properties are recreationally, commercially, and industrially developed for social and economic benefit.

More specifically, NSLI will

- continue managing the former Sysco site
- assume management of former Tar Ponds and Coke Ovens sites
- continue to put in place the required infrastructure to allow for redevelopment of the site as a viable commercial park facility
- continue to co-operate with the Cape Breton Regional Municipality in planning activities for viable reuse of former Sysco lands and assets, including necessary water supply, in efforts to increase the municipal tax base
- assist in prioritizing provincially owned sites under its mandate to ensure that present public safety issues or serious environmental concerns are high on the action list
- assess and, where necessary, remediate and redevelop provincial lands for future uses in an environmentally sound manner, meeting the province's obligations and strengthening relations with local communities
- maintain adequate security on sites to prevent the loss of provincial property and site assets, as well as maintaining safe conditions
- actively manage and market Harbourside Commercial Park as a viable location to establish commercial and industrial enterprises
- actively manage and market the former Bowater site in Liverpool to establish commercial and industrial enterprises
- actively manage and market the Pictou Wharf as a viable shipping facility
- manage the reclamation and cleanup of the *MV Miner* on Scaterie Island

Core Business Areas

Continued Development of the Former Sysco Site as Harbourside Commercial Park

No further environmental site assessments are needed; however, ongoing monitoring will be required.

Work will continue in the management of the properties into useful and valuable commercial real estate.

Management of Former Tar Ponds and Coke Ovens Sites

The intention is to develop standards whereby we can allow development of the Coke Ovens site.

We will also promote and encourage use of the Open Hearth Park site.

We will manage the long-term maintenance and monitoring program to insure safe and environmentally sound use of both sites.

Environmental Assessment, Remediation, and Redevelopment of Other Sites

Some other former Sysco and non-Sysco properties require environmental site assessments or additional physical assessment. Physical assessment may include locating buried hazards, underground tunnels, or areas of surface soil subsidence.

Remediation or restoration and redevelopment plans will be developed and implemented as required. Remediation may include removal of hazards, demolition, soil and seed application, tree planting, remediation of contaminated soils, redirection or treatment of ground waters, and other activities. Redevelopment may include rehabilitation of existing infrastructure.

Reuse of Blast Furnace Slag By-products

Slag materials were produced as a by-product of the steelmaking process. Several hundred thousand tons of these products are on the former steel mill site. It has been demonstrated that several of these products are valuable as construction aggregates, filter media, and concrete aggregates. NSLI will continue to encourage and help private-sector companies to reuse these products for construction activities and in the stabilization and solidification of the Sydney Tar Ponds.

Priorities for 2014–2015

Former Sysco Site

- Continue management of lands on behalf of HCPI
- Continue long-term maintenance and monitoring of site
- Continue slag quarry
- Monitor air, sample groundwater

Assume Management of Former Tar Ponds and Coke Ovens Sites

- Support and ensure public activity in Open Hearth Park
- Develop covenants and ways forward to allow commercial development of Coke Ovens site (Harbourside East)
- Establish and commence long-term Maintenance and Monitoring program
- Archive all data related to cleanup of these sites.

NS Sites Review and Prioritization

- Continue to meet with those with vested interests (Natural Resources, Public Works, Government Services Canada, etc.) who may have knowledge of the sites and may have already identified problems or have had assessments done
- Work with other government departments on cleanup and redevelopment of provincial sites

Environmental Assessment, Remediation, and Redevelopment of Other Sites

- Complete physical assessments on selected sites
- Complete CCME-based environmental assessments on selected (higher priority) sites
- If problems are identified, develop a priority list to remove public safety hazards and environmental concern at prioritized sites
- Continue other ongoing assessments
- Carry out other work as contracted from other government departments
- Manage redevelopment of Pictou Wharf
- Continue management and redevelopment of Bowater site into a commercial park

Sydney River Water System

- Maintain ongoing management of the Sydney River Dam and fish ladder

Budget Context

	Estimate 2013–14 ($ 000)	Forecast 2013–14 ($ 000)	Estimate 2014–15 ($ 000)
Revenue			
Management fee from HCPI	100	100	91
Miscellaneous recoveries	1,338	2,372	3,860
Miscellaneous revenue	160	116	0
Recovery from Sysco	4,071	2,918	869
Total revenue	**5,669**	**5,506**	**4,820**
Expenses			
Payroll	1,210	1,056	1,050
General and administrative expenses	496	514	300
Project management	90	62	100
Security services	115	123	100
Sysco LTMM	570	497	300
Sysco Capital	1,700	1,083	495
Non-Sysco projects	1,444	2,001	2,475
Total expenses	**5,625**	**5,336**	**4,820**
Net income	**44**	**170**	**0**
FTEs	11	9	15

Outcomes and Performance Measures

Core Business Area 1 *Provincially owned lands in need of remediation are made safely and environmentally reusable*

Outcome	Measure	Base Year	Trends	Target: 2014–15	Strategies to Achieve Target
Environmental assessments indicate two to be done	Completed			100%	Complete assessments
Design of a long-term monitoring plan		2011–12	2011–12:10% 2012–13:90%	100%	Completed
Capping operation of contaminated material cell		2010–11		100%	Completed
Coke Ovens capping engineering oversight		2011–12	2011–12:50% 2012–13:90%	100%	Completed
Coke Ovens surface capping	South	2011–12	2011–12:30% 2012–13:90%	100%	Completed
Coke Ovens surface capping	North	2011–12	2011–12:30% 2012–13:90%	100%	Completed
Develop covenants	Commercial development	2014–15		100%	Use internal resources to develop document
Long-term Maintenance and Monitoring Program (25-yr plan)	Establish program Continued monitoring and maintenance	2014–15		100%	Use internal resources Plan established and will be managed
Archive data related to cleanup of sites	Documents library	2014–15		100%	Hire employee to establish library

Core Business Area 2 *Designated provincially owned properties are recreationally, commercially, and industrially developed for social and economic benefit*

Outcome	Measure	Base Year	Trends	Target: 2014-15	Strategies to Achieve Target
Identify health and safety issues	Document problems and develop action plan	2009-10	2009-10:20% 2010-11:Ongoing as per needs 2011-12:Ongoing as per needs 2012-13:Ongoing as per needs	All main H & S issues dealt with	Use internal resources to repair problems presenting a safety concern
Pictou Wharf redevelopment	Fender upgrades	2013-14		100%	Completed this year if resources are available
Manage Bowater (Renova) site	Demolition	2013-14	2013-14:50%	100%	Contracts awarded
	Asset sales	2013-14		100%	Completed
	Redevelopment	2013-14	2013-14:50%	100%	Building improvements Road improvements

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Nova Scotia Liquor Corporation

Business Plan 2014–2015

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Mandate and Legislated Responsibility

The Nova Scotia Liquor Corporation (NSLC) is governed by the Liquor Control Act (LCA) of Nova Scotia. This act mandates the responsibilities of the NSLC to its shareholder, the Province of Nova Scotia. The most fundamental element of the organization's role derived from the LCA is responsibility for the receipt, distribution, regulation, and control of all beverage alcohol available in Nova Scotia. In order to ensure the safe and responsible distribution of beverage alcohol, any products sold through NSLC retail stores, Agency stores, Private Wine and Specialty Stores (PWSS), Licensees, and private importations must be received through the NSLC. Through this mandate, the NSLC helps ensure that the product is sold only to Nova Scotians of legal drinking age. The legislation describes four key responsibilities of the organization, specifically,

1. promotion of social objectives regarding responsible drinking
2. promotion of industrial or economic objectives regarding the beverage alcohol industry in the province
3. attainment of suitable financial revenues to government
4. attainment of acceptable levels of customer service

We strive to balance our legislated mandate between the control aspects of product sales, providing the necessary financial returns to our shareholder, ensuring a high level of service to Nova Scotians, and supporting the growth of the Nova Scotia beverage alcohol industry.

We have significant regulatory powers to control and audit the legal manufacturing, distribution, and retailing of beverage alcohol in Nova Scotia. Under this legislated mandate, only manufacturers, distributors, and retailers permitted or contractually authorized by the NSLC can be legally involved in the beverage alcohol business in Nova Scotia. We approach these responsibilities with a balance between our regulatory requirements and our mandate to obtain benefits from the beverage alcohol sector in Nova Scotia. Without compromising the overall regulatory objectives, we have adopted an approach that allows local producers a degree of flexibility in taking their products to market and showcasing them to a customer base that might otherwise be unfamiliar with these products. We also sell many local products through our retail store network, allowing these producers a degree of exposure that helps them to establish an identity across the province.

It is important to note that the licensing and regulation of all bars, restaurants, pubs, lounges, and other similar establishments permitted to sell alcohol is the responsibility of the Alcohol and Gaming Division of the Department of Service Nova Scotia and Municipal Relations.

We are charged with deciding how the sale of retail alcohol should occur in the province and balancing that with the public's demand for access to it. We use the retail price and store density to moderate consumption and balance the harm to society from beverage alcohol. Since 1991, Social Reference Pricing (SRP) has been the tool used to ensure that excessively low-priced alcohol is not available in Nova Scotia. According to this policy, we set a minimum price under which product cannot be sold. We review and adjust this price annually, within our biannual pricing reviews.

Externally, in fulfilling the legislated mandate, we focus on advocacy by raising awareness of the impact of irresponsible behaviour regarding alcohol consumption. Our approach in this regard includes numerous creative and innovative campaigns and powerful partnerships with other businesses and post-secondary and community groups.

We provide the government with strategic public policy advice on the regulatory aspect of the LCA and are mandated to support the economic development of the Nova Scotia beverage alcohol industry.

Purpose, Vision, and Culture

The NSLC's Purpose and Vision statements were revised in 2010 to clarify its enhanced commitment to responsible retailing and sustainable business practices across Nova Scotia's communities.

Purpose

To bring a world of responsible beverage enjoyment to Nova Scotia.

Vision

To be a superb retailer recognized for sustainable business performance and engaging customer experience, eliciting the pride and enthusiasm of Nova Scotians.

Culture

Living our Purpose and Vision entails a culture that

- encourages innovation and creativity
- engages employees in achieving success
- is driven by customer needs
- demonstrates respect and dignity in all we do
- is a fun and healthy place to work
- advocates intelligent consumption and responsibility

Strategic Goals

We are entering the fifth and final year of the Five-Year Strategic Plan (2010–2015), which was developed with the strategic theme to continue the journey "from a place to shop to a personalized experience."

Strategic goals are categorized within five pillars:

1. **Stewardship:** To deliver the stewardship entrusted to the NSLC in relation to the Liquor Control Act.
    a. Adopt specific measures to help build the Nova Scotia beverage alcohol industry to obtain economic benefits.
    b. Advance social responsibility policy objectives.
    c. Implement best practices in Crown corporation governance.
    d. Identify and recommend updates to the Liquor Control Act that ensure relevance and effectiveness.

2. **Customer:** To deliver exceptional customer experiences and personalized services in dynamic retail environments.
    a. Align the NSLC's strategic focus toward a new customer intimacy discipline.
    b. Create and implement shopper marketing capability to proactively engage customers in dynamic retail environments.
    c. Deepen the understanding of customer value and respond with programs that matter.
    d. Implement integrated multi-channels of engagement.
    e. Continue to evolve and improve the customer offer with trust and integrity in all we do.
3. **Reputation:** To be a leading corporate citizen building strategic community engagements.
    a. Embed sustainable business practices into the corporate culture.
    b. Identify and build trusted strategic engagements with targeted stakeholders/communities.
    c. Continue to focus efforts to control the sale of beverage alcohol to those of legal drinking age.
4. **People:** To have an enthusiastic and engaged team recognized for excellence.
    a. Establish a two-way employee engagement strategy and a commitment to responsiveness.
    b. Build a robust performance management program to enable high-performing teams and individuals.
    c. Invest in supporting our employees over the entire employment lifecycle.
    d. Take a leadership role in promoting workplace safety and ensuring a healthy workplace.
    e. Encourage and recognize individual and team excellence.
    f. Leverage training, technology and business processes that support change and adaptability at all levels of the organization.
5. **Financial:** To contribute $1.2 billion to our shareholder over five years and $275 million in 2015 while employing sustainable business practices.
    a. Ensure that controls and reporting are in place to deliver all strategies.
    b. Align the NSLC's strategic focus on customer intimacy leadership while maintaining operational efficiencies.
    c. Effectively use our capital and operating resources.
    d. Improve gross margin.
    e. Take advantage of growth opportunities in product segments.
    f. Leverage technology to improve performance.
    g. Look for additional business development opportunities.

In developing the current strategic plan, we identified emerging retail trends that were anticipated to help shape our planning and focus. The trends as we continue our journey to offer customers a personalized shopping experience are as follows:

- **Integrated retailing:** multi-channel retailing, where customers are using numerous points of contact to engage with retailers.
- **Greater customer intimacy:** understanding customer value and segmentation while creating an emotional connection with a brand.
- **Corporate social responsibility:** the commitment to integrate a company's economic, environmental, and social priorities into daily business practice in a sustainable manner.
- **Business focus:** the "Market Leader Model" outlines that a successful company pursues one of three core strategic disciplines (Customer Intimacy, Product Leadership, and Operational Excellence) to excel in while maintaining acceptable levels of competence in the others. Our focus is Customer Intimacy.

Visit our Five-Year Strategic Plan 2010–2015 for more details (www.mynslc.com/Documents/Business%20Reports/2010_STRATPLAN.pdf).

Planning Context

Each year, we review and measure the progress to date against our strategic goals. This, along with an assessment of changes in the retail and business environment, customer expectations, financial considerations, and other factors helps set the stage for determining priorities in the next annual business plan.

The following five factors were significant in establishing this business plan.

Consumption Levels

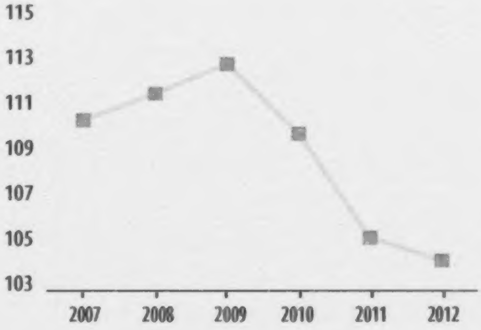
In terms of total consumption of alcohol, Nova Scotia represents a moderate consumption environment, consistently indexing below the national level.
Per capita consumption, based on legal drinking age population, has remained at a steady ranking through the years; however, overall consumption volume in the province has been decreasing.

Total per Capita Consumption (litres)

CANADA	107.59
Yukon Territory	170.41
Newfoundland and Labrador	127.06
Québec	122.12
Alberta	115.68
Saskatchewan	107.00
Nova Scotia	**104.34**
Manitoba	104.04
Prince Edward Island	102.61
Ontario	100.35
British Columbia	98.24
Northwest Territories and Nunavut	93.27
New Brunswick	91.75

Source: 2012 Annual Statistical Bulletin, Beer Canada

Overall Consumption Nova Scotia
litres



Overall consumption in Nova Scotia has been on a decline since 2009, as shown in the chart above. Transaction levels and sales volumes have both been declining during the same period; conversely, the population of those 19 years of age and older has actually increased.

The NSLC strives to balance access to product with convenience for our customers. Outlet density measures the number of physical locations in which beverage alcohol is available for purchase by those of legal drinking age. Outlet density in Nova Scotia is at the lower end of the scale nationally, with the seventh-lowest store density in Canada.

Demographics

Overall, there is an aging demographic in Nova Scotia, and these demographic changes make a significant impact on how we deliver on our customer promise. Consumption levels and preferences change as customers age, and customer service level expectations vary within each age group. Understanding the make-up of our customers provides direction on how to execute customer strategies. Based on current consumption patterns, those over the age of 55 tend to consume less than average in the beer category. We anticipate that this pattern will continue and have a greater impact in the future, given the population projections for Nova Scotia. Population growth projections for those over 55 are higher than in the younger groups of 19 to 45, which have a higher level of consumption in the beer category. As the current 19 to 45 groups age, we anticipate downward pressure on overall beer volume in the province.

Population shifts have an impact on how we provide a responsible level of access for customers. In the upcoming years, Nova Scotia is projected to continue to see a shift in population density to more urban areas from rural areas. If there are significant changes in population density levels, our network structure must be able to adjust for that.

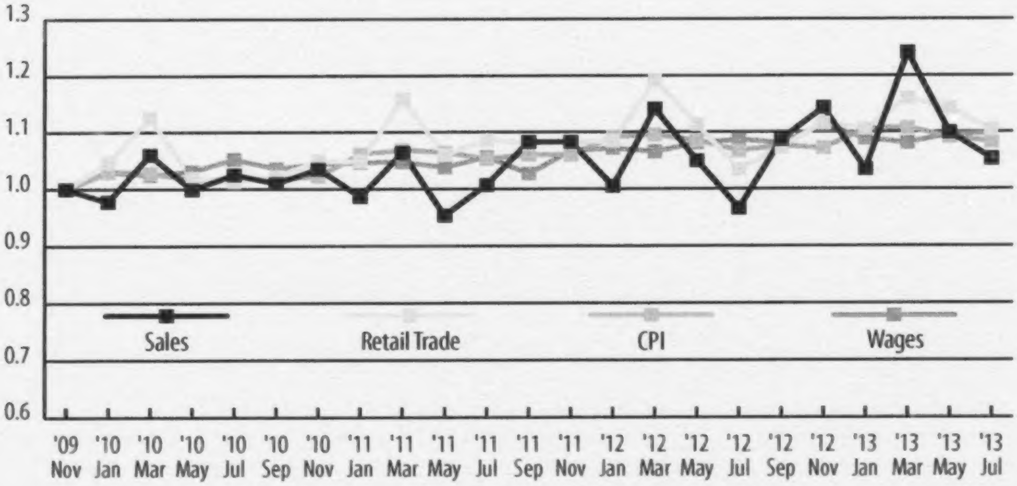
Nova Scotia Economy

During times of economic uncertainty, people tend to demonstrate constraints in how they spend their disposable income. Sales levels have shown that customers' consumption levels have decreased in our retail sector as well as with licensees. Consumers are not spending at the same levels as they have in the past when they go out for entertainment.

Nova Scotia tends to stay relatively stable through economic fluctuations experienced on a national level. NSLC total sales have followed the same general upward trend as CPI, retail trade, and wages, indicating that sales have not outpaced or lagged behind either customers' purchasing power or general price movement in the province, as demonstrated in the chart below. One notable consideration is Grocery CPI, which has been under downward pressure driven by competition in the sector, which is expected to continue.

NSLC Sales vs CPI, Retail Trade, and Wages

Indexed to 2009



The following are key economic statements for the province from the Department of Finance (January 6, 2014):

- Nova Scotia's real GDP growth is expected to grow by 0.7 per cent in 2013 and by 2.0 per cent in 2014 (December Fiscal Update Forecast). Production at Deep Panuke will lift growth in 2014. Major projects such as the Halifax convention centre and vessel construction at the Halifax Shipyard have significant potential impact over the medium term.
- Slower growth in 2013 is attributable to the household sector, where weaker growth in employee compensation and consumer prices limited consumer spending. While these conditions are expected to moderate in 2014, employment growth is still expected to be negligible, keeping household income and spending growth below long-run trends. Stronger external drivers will help the provincial economy to attain overall growth of 2.0 per cent by 2014, consistent with long-run growth trends.
- Employment is expected to remain stable, and retail activity is expected to rebound in 2014. Major developments such as the investment in the Halifax Shipyard, and subsequent vessel construction, and the Maritime Link are part of most private-sector forecasts; the timing and materialization of these assumptions present a risk to any forecast.
- Although there has been slower employee compensation growth, consumer prices have also moderated and eased the impact on real incomes. Average CPI inflation through October has slowed to 1.2 per cent in Nova Scotia.
- Overall, retail sales are up only 1.9 per cent. While limited income growth has affected consumer spending, Nova Scotians did invest in residential construction, with increases of 8.6 per cent through September.

- In 2014, Nova Scotia's economy is particularly sensitive to risks around the timing and capacity for major project investments. As project timelines shift and plans are adjusted to reflect domestic production capacity, Nova Scotia's economic outlook changes.

These factors in combination all play a role influencing our business strategies, overall financial targets, network planning, and how best to service the needs of consumers. Our urban stores have been a focus in recent years, and the upcoming fiscal year will see that continuing. Urbanization trends and anticipated provincial infrastructure developments outlined above, and anticipated in upcoming years, will all be key inputs into the development of our next Five-Year Strategic Plan.

Weather

Weather will always be a factor that affects our sales performance; a correlation has been established between sales and daily temperature through the week, and precipitation on Friday/Saturday. The correlation is particularity evident with beer sales and the critical sales period of May until Labour Day. Weather can influence customer "occasions." When seasonally lower temperatures and wet weather occur, especially leading into a weekend, transactions are lowered. After the Labour Day weekend, weather becomes less of an impact on customer occasions and related consumption.

The Nova Scotia Industry

The Nova Scotia beverage alcohol industry has been experiencing growth in revenue, and in the number of local wineries, craft breweries, and distilleries. Last year, Nova Scotia–based wine products accounted for 7.6 per cent of total wine sales and grew from $4.4 million in 2008 to $9.4 million in 2013, with the growth continuing into the current fiscal year. We currently sell more Nova Scotia wines than all but four countries: Canada, Australia, Italy, and the United States. There are currently 18 wineries, with over 500 acres of grapevines, contributing more than 850 full-time equivalent jobs in the province. Innovation, national and international media, along with successful branding efforts, as with the "Tidal Bay" appellation, have helped elevate the profile of Nova Scotia wines. This increase in popularity is opening new opportunities for Nova Scotia wines to be sold at a national and international level. The Nova Scotia craft beer sector experienced 11.3 per cent growth last year and accounts for one out of every two bottles of craft beer sold in our stores. There were four new entrants into the sector in 2013, with an additional two locations working toward being operational in 2014.

The quality of Nova Scotia products is increasing, and products are gaining in popularity and winning awards. Overall demand is rising as customers discover Nova Scotia products. The "buy local" trend has been a positive factor on the industry. As this trend continues to gain support, individual customers, as well as the licensee communities, are purchasing more products directly from local producers. This means great things for their local communities, as more money is being reinvested in the community by supporting these small businesses and their employees. Through markup structures and other means, we provide support to the growing Nova Scotia industry. Though this affects our overall profitability, broader economic benefits are achieved for the province.

2014–2015 Annual Business Plan

The NSLC annual business plan is structured around the five pillars of the Five-Year Strategic Plan (2010–2015). Key initiatives within the applicable pillar are as follows:

Stewardship

We actively support the growing Nova Scotia industry, with membership on the newly formed Craft Brewers Association board, as well as the Winery Association of Nova Scotia. We work with these industry groups in an effort to help develop strategies to further develop the industry. The local distilleries have been experiencing growth, and in fiscal 2015, we will undergo a review to assess how best we can support the growth of the Nova Scotia spirit sector. We also work with other government departments in the shared interest of cultivating the industry. During fiscal 2015, we will continue our participation in the Nova Scotia Farm Winery policy and strategy review, which is being led by the Department of Agriculture.

In 2013–2014, we produced a Licensee Guide, which outlines laws and regulations for the licensee community. We will be doing a similar exercise in the upcoming fiscal year for our suppliers in an effort to provide a concise guide for the group, providing clarity on laws and regulations as well as applicable NSLC corporate polices.

In an effort to remain current in best practices, we will participate in the Conference Board of Canada's benchmark study reviewing how Crown corporation governance, business models, and management practices have responded to increasing levels of high-performance competition and the post-2008–2009 political economy.

As part of being a responsible retailer, we have worked to remove excess waste and excess electricity usage from our network. We have adopted a Zero Waste program, where the target is the diversion of 95 per cent of solid waste from landfills, as well as clean disposal of liquid waste (from product breakage or damage) that is collected, treated, and then safely released into the environment. We exceeded targets of reducing our greenhouse gas emissions and will be looking to establish new environmental targets as part of our next five-year planning cycle. For more information, please see our 2012–2013 Integrated Annual Report at http://www.mynslc.com/Documents/Business%20Reports/_NSLC%20Annual%20Report_v15_digital.pdf for more details.

We continue to develop our store network, using a sustainable approach in design and build, resulting in stores of which Nova Scotians can be proud. This year we will continue our lighting/energy-efficiency projects across our existing facilities, further reducing our energy consumption levels by an additional 360,000 kilowatt-hours, or approximately 4 million kilowatt-hours over the last four years. We will also continue our "NSLC Sustainable Design" program for new store construction and major renovations when appropriate, targeting 80 per cent construction-waste diversion from landfills, 40 per cent use of sustainable or recycled materials, 60 per cent reduction in water usage, 40 per cent reduction in energy usage, including heat reclaim, daylight and free air cooling, and healthy indoor air quality for customers and staff.

It is well established that a significant proportion of university undergraduate students engage in high-risk drinking behaviour (defined as five or more drinks on one occasion for men and four or more drinks on one occasion for women). This serves as a reminder of the importance of de-normalizing this behaviour by further establishing greater awareness and intervention efforts. During fiscal 2014, we began re-examining how we were engaging with post-secondary institutions to help get out the message on responsible consumption. We met with representatives of the province's post-secondary institutions and the Department of Health and Wellness to establish a collaborative working relationship in the development and deployment of a long-term high-risk-drinking communications strategy and awareness campaign. This will be a multi-year project, with fiscal 2015 seeing the launch of the first phase of the new approach, which will consist of print material, social media, and a survey component aimed directly at the individual student populations of each campus. The campaigns will seek to educate university students on the dangers associated with high-risk drinking behaviour.

Customer

Over the life of the current strategic plan, objectives have been to transition from a place to shop to a personal experience. Starting with expanding the product knowledge in our stores with our Retail Product Specialists, we continue to work to define what "personalized service" means for the NSLC and our customers, determining what behaviours or activities are required for us to achieve this goal.

We have implemented standard operating procedures on the sales floor and in the store offices, and in fiscal 2015, we will execute plans to further enhance the customer experience. We will work on defining and implementing standards at cash to improve the shopping experience, with the goal of delivering an appreciated personal lasting impression for customers.

Training programs will be put in place to support and empower employees at retail in achieving these goals, ensuring that they understand expectations and understand the marketing tools available to them and how to use them to enhance the customers' shopping experience. Training will focus on how our employees are critical to achieving our desired level of customer experience.

Our Mystery Shop program is used to measure execution of customer satisfaction objectives at our retail stores to ensure that operational standards are being met. In fiscal 2015, we will evaluate and refresh the current Mystery Shop program to reflect operational changes, obtaining assurance we are maintaining our commitment to customer service.

The volume of beverage alcohol sold in Nova Scotia has been declining since 2010. Customers are very careful with their disposable income. In the last fiscal year, we re-examined how we look at our customers, in an effort to better provide them information and meet expectations. Market segmentation at the NSLC is not gender based or demographic based, but behaviour based, which aids in merchandising efforts to satisfy customer preferences and demands. In fiscal 2015, we will begin the process of incorporating the revised market segmentation insights into our one-to-one marketing efforts, network product assortments, and promotional planning. We will also refocus efforts to improve overall merchandising intensity and grow overall awareness of in-store promotions. Upgrades and additional functionality to our shelf management system will be taking place to allow for more efficient use of shelf space and to aid in category management.

Fiscal 2015 is the remaining year of our initial three-year Digital Marketing Strategy. Our digital initiatives have included the launch of our website (mynslc.com) as well as a mobile version of the site. We have continued to look for ways to optimize our online presence through the addition of new customer-focused tools such as recipes, videos, and online sales, allowing us to stay current with the rapid pace of the digital landscape. Our social media strategy has allowed us to engage and build our communities on Facebook and Twitter through relevant content, including the launch of our Christmas Facebook app as part of an integrated marketing campaign. We will continue to monitor and adapt our online presence in fiscal 2015, which will include the replatforming of our existing website and associated digital channels.

Fiscal 2015 will see the evolution of our customer experience with the expansion of the Wine Discovery Guide. The Wine Discovery Guide is an educational platform that crosses multiple customer touch-points and is part of a multi-year strategy for the wine category. It is aimed at helping customers build on their wine knowledge, through taste and discovery, and is designed to unlock the "mystery in the bottle." It also serves as an additional tool for employees to better engage with customers during their selection process. We completed the rollout of the in-store experience in fiscal 2014 and will continue to expand the program to our premium wine selection and online experience to engage with customers across multiple touch-points. We will also investigate ways to employ the strategy of taste and discovery across other key categories.

Each year we continue to invest and improve our existing retail store network, ensuring that service is available to our customers where they are located. Fiscal 2015 is the final year in our current five-year network plan; we will focus efforts on completing remaining initiatives as required and appropriate to service customers.

In an effort to create a full brand experience and customer convenience and provide a consistent in-store shopping experience for customers, we will continue to roll out our updated Cool Zone concept in top-performing stores. Cool Zone elements such as imagery, way-finding, and educational elements provide customers a means to discovery as they shop and explore our cold offerings, bringing the customer experience in unison throughout the store.

Reputation

The NSLC mandate goes well beyond being just a retailer of alcohol. While delivering revenue to the Province of Nova Scotia is very important, we have a mandate to promote social objectives regarding responsible use of the products we sell. In today's world, it is also important to operate our business using sustainable business practices to demonstrate our corporate responsibility. All of these factors are what we strive to achieve as a responsible corporate citizen.

Recent studies show that most minors are receiving their alcohol from older friends/

siblings and, increasingly, their parents. Fiscal 2015 will see a targeted awareness campaign aimed at increasing awareness of harms associated with providing alcohol to minors. We will also continue our sponsorship of MADD's multi-media campaign in fiscal 2015, reaching at least 60 high schools.

We require our store employees to ensure responsible sale of beverage alcohol through a host of social responsibility programs, such as WE ID. Through our WE ID program, employees are required to request identification from any customer appearing to be under 30 years of age. The WE ID program will continue to be a focus in fiscal 2015 and will have new creative, improvements made to the employee training program, and continued monitoring of compliance through the NSLC's Mystery Shop program. In an effort to measure operational compliance, we have put in place a WE ID Mystery Shop program, which takes place at our retail stores, Agency, and PWSS locations. In fiscal 2015, we will be expanding the training and measurement program to manufactures' retail stores.

People

Our people, those at retail and in supporting roles, are at the heart of the business and are critical in the delivery of a personalized shopping experience. As we continue to evolve from a place to shop to a personalized experience for our customers, having an enthusiastic and engaged team is essential.

Employees told us in our most recent Employee Opinion Survey that being held accountable for job performance is a key driver of engagement at work. In fiscal 2015, we will continue to evolve our performance management systems to make them more meaningful and useful for managers and employees. We will introduce stronger links between job-related competencies for both training and performance management.

Enthusiasm grows with engagement, and to a large degree, engagement is built on communication. During fiscal 2015, we will further develop our Employee Voice online panel to enhance two-way communication and strengthen our ability to understand and respond to feedback from our employees, demonstrating commitment to responsiveness, and to tap into the knowledge and wisdom they have about customer service.

To build on the corporation's efforts to have teams and individuals recognized for excellence, a new peer-to-peer recognition program will be developed and rolled out in fiscal 2015. This will provide the opportunity for individuals to acknowledge and give recognition when a team, a team member, or a co-worker does an especially great job or goes "above and beyond" for our customers. Peer-to-peer recognition will supplement our existing corporate recognition programs, which include the CEO's Award of Excellence, the Customer Experience Award, and Retail Store awards.

Our SharePoint-based intranet and collaboration software is also a key tool for engaging employees through greater collaboration and information sharing. Since it was introduced in 2012, it has been a significant benefit to internal communications, now ranked by employees as the most important way for them to receive information about the NSLC. During fiscal 2015, we will update and further leverage this technology to support process improvements and reduce administrative tasks across our operations — and to foster a stronger sense of community.

More than half of our total workforce is employed on a casual basis, primarily in the retail network. In fiscal 2015, we will further explore how to better attract and retain casual employees to reduce turnover and improve the return on our training investment for new employees. This will involve a review of recruitment and scheduling for casual employees to better ensure a consistent shopping experience for our customers.

Our people continue to make a difference for our customers and help to create that personal shopping experience we are striving for.

Financial

During fiscal 2013, the Executive team and Board of Directors underwent an Enterprise Risk Management (ERM) exercise to identify key corporate risks. Action plans were put in place to mitigate, monitor, or accept the risks. Key risks have continued to be tracked and managed within our business unit activities. We will continue to enhance and further develop our ERM practices, developing a framework to be integrated within operational processes, ensuring that strategies are in place to manage risks appropriately. Reporting will be further developed for various stakeholders, ensuring required visibility into risks for planning and decision making.

A key enabler, as well as an identified risk area, is the technology platforms used to support our retail operations. We recently completed an Information Technology roadmap with a three-year view to ensure that our current IT infrastructure is sustainable and supportive of future strategic initiatives. Fiscal 2015 will focus on initiatives to replace or upgrade current hardware and software that is nearing the end of its lifecycle.

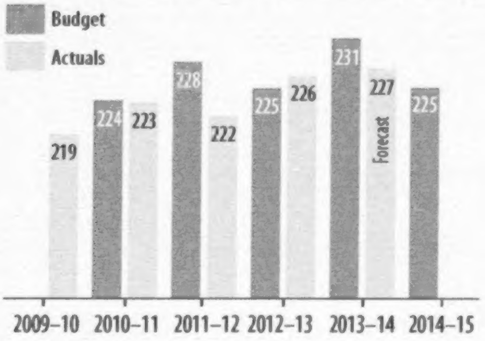
In order to modernize business functionality, grow with business needs in the future and achieve and adhere to new Payment Card Industry (PCI) compliance requirements, the point-of-sale (POS) software and hardware, which are both end-of-life, must be upgraded. An integrated hardware and software replacement provides efficiencies that will reduce overall costs.

In light of recent declines in sales transactions, increased focus is required to ensure that business operations are managed appropriately to limit the growth in costs within the organization and avoid the erosion of profits. Given recent sales trends and limited growth opportunities in our existing market, it is becoming increasingly important to be open to exploring business development opportunities. Those that are corporately and socially responsible will be explored as appropriate. Fiscal 2015 will see the creation of our next Five-Year Strategic Plan, which will take us to the year 2020, continuing the goal to serve the public in a corporately and socially responsible manner.

Performance Measures

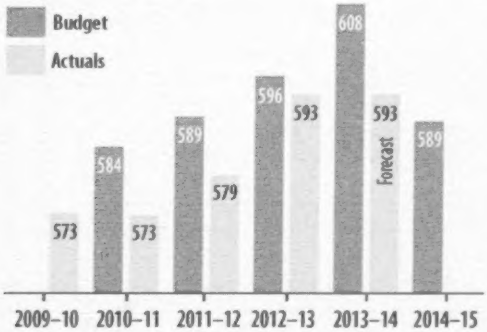
At the NSLC, we use a variety of measures to monitor our performance and operational processes, and numerous performance indicators are used to manage our organization. Key performance indicators are as follows:

Net Income from Operations ($ m)



Goal is to achieve or exceed target.

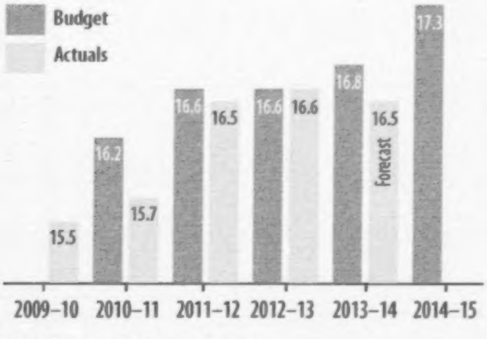
Net Sales ($ m)



Goal is to achieve or exceed target.

Operating Expense Ratio (%)

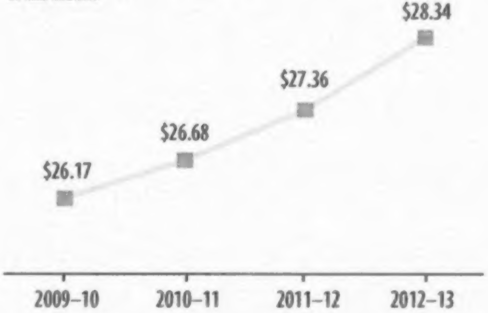
including depreciation



Goal is to achieve or exceed target.

Average Retail Transaction Value

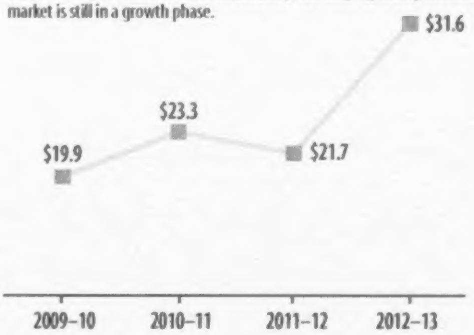
Provides insight into the customers' average basket, where selling price, premiumization, and incremental purchases can all be key influencers of this metric.



Goal is to see an improvement over previously reported results.

NS Product Sales (millions)

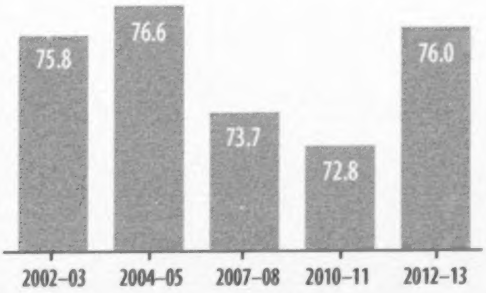
Support of the local industry is a key focus; monitoring sales levels provides insight into the overall health of the industry, currently signalling that the market is still in a growth phase.



Goal is to see an improvement over previously reported results.

Employee Engagement Index (%)

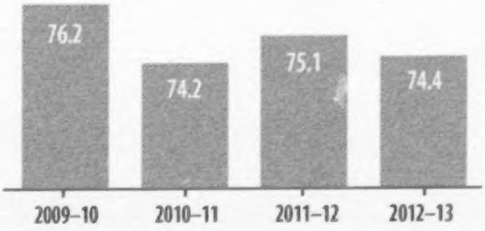
A high level of employee engagement is recognized as a key element in achieving goals and is an indicator of a healthy workplace.



Goal is to see an overall improvement in directional trend.

Brand Health (%)

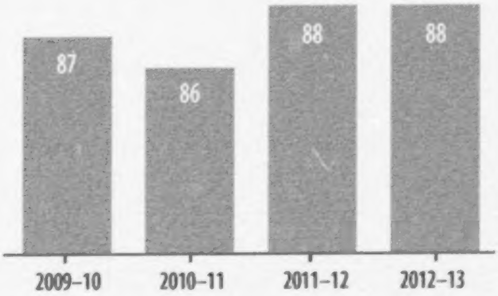
Brand NSLC = Promise + Performance + Perception, as reported by over 800 Nova Scotians via survey. In our evolution to be viewed as a "leading corporate citizen" this survey benchmarks us on overall reputation with other retailers and liquor boards.



Goal is to see an overall improvement in directional trend.

Customer Satisfaction Index (%)

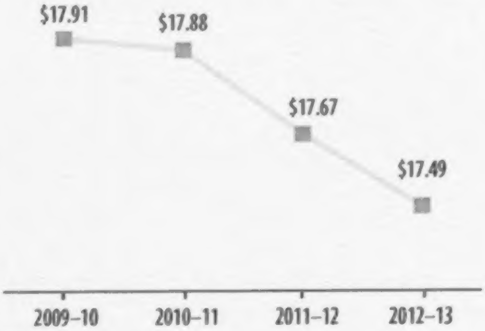
Looks at 23 aspects of customers' shopping experience; scores reflect per cent of survey respondents who rated us 8 out of 10 or higher. Used to measure customer satisfaction, ensuring actions taken are in the interest of the customer and business.



Goal is to see an overall improvement in directional trend.

Retail Customer Transactions ($m)

Provides a means to monitor frequency of purchases by retail customers.



Monitored as information/insight based on observed trends.

Budget Context

	Actual 2010–11 ($)	Actual 2011–12 ($)	Actual 2012–13 ($)	Forecast 2013–14 ($)	Sales %	Budget 2014–15 ($)	Change %
Spirits	160,096,711	164,161,504	167,676,041	167,272,557		160,415,704	
Wine	113,475,419	120,243,611	127,699,861	132,966,362		137,610,747	
Beer	281,763,594	279,761,810	282,967,960	278,258,346		276,628,128	
Ready-to-drink	24,456,808	23,294,204	23,123,957	23,797,683		24,357,556	
Non-liquor	124,028	116,094	123,369	111,827		120,000	
Total Gross Sales	**579,916,559**	**587,577,223**	**601,591,188**	**602,406,775**	**101.6**	**599,132,135**	**-0.5**
Less: Discounts	7,119,868	8,206,575	8,648,296	9,554,272	1.6	10,671,316	
Net Sales	**572,796,691**	**579,370,648**	**592,942,892**	**592,852,503**	**100.0**	**588,460,819**	
Cost of Sales	259,579,125	262,416,729	268,361,767	267,965,586	45.2	261,603,267	
Gross Profit	**313,217,566**	**316,953,919**	**324,581,125**	**324,886,917**	**54.8**	**326,857,552**	
Less: Store Operating Exp.	55,514,766	57,826,745	59,787,659	61,576,350	10.4	62,492,836	
Gross Operating Profit	**257,702,800**	**259,127,174**	**264,793,466**	**263,310,567**	**44.4**	**264,364,716**	
Less: Supply Chain	6,075,110	6,426,853	6,654,040	6,799,360	1.1	7,116,759	
Corporate Services	21,395,146	21,937,215	24,552,262	23,572,568	4.0	25,118,007	
Other Expenses	2,795,452	2,536,185	2,595,455	1,185,545	0.2	2,429,893	
Add: Other Revenue	4,325,078	4,862,119	5,446,049	5,176,570	0.9	5,002,841	
Total Expenses (excl. stores)	**25,940,630**	**26,038,134**	**28,355,708**	**26,380,903**	**4.4**	**29,661,818**	
Op. Income before Depreciation	**231,762,170**	**233,089,040**	**236,437,758**	**236,929,664**	**40.0**	**234,702,898**	
Less: Depreciation	8,603,359	11,473,996	10,051,599	9,657,551	1.6	9,700,000	
Income from Operations	**223,158,812**	**221,615,043**	**226,386,159**	**227,272,113**	**38.3**	**225,002,898**	**-1.0**
Actuarial Loss	-1,072,000	1,603,000	2,125,182	1,500,000		1,500,000	
Comprehensive Income	**224,230,812**	**220,012,043**	**224,260,977**	**225,772,113**	**38.1**	**223,502,898**	**-1.0**
Total Expenses (excl. depr'n)	81,455,397	83,864,880	88,143,367	87,957,253	14.8	92,154,654	
Total Expenses	90,058,756	95,338,876	98,194,966	97,614,804	16.5	101,854,654	
Volume (hectolitres)					Change %		Change %
Spirits	51,676	51,566	50,629	49,116	-3.0	47,840	-2.6
Wine	85,568	88,328	91,104	92,497	1.5	93,878	1.5
Beer	656,440	637,924	630,688	607,088	-3.7	591,389	-2.6
Ready-to-drink	34,739	32,911	32,286	32,358	0.2	32,473	0.4
Total	828,423	810,728	804,707	781,059	-2.9	765,579	-2.0

* Historic sales numbers have been adjusted to reflect a reallocation of a portion of Sales dollars to a reduction in Cost of Sales. This has resulted in no change in the Income from operations for these years.

** Historic expense numbers have been adjusted to reflect a reallocation of credit card fees causing a reduction in Other Expenses and an increase in Store Operating Expenses. This has resulted in no change in the Income from operations for these years.

Fiscal 2014–2015 Business Priorities

Stewardship: To deliver the stewardship entrusted to the NSLC in relation to the Liquor Control Act:

- Undertake a review to determine how the NSLC could support the local spirit industry.
- Work with the Nova Scotia Farm Winery Industry Development Board to revise policies and strategy for the Nova Scotia wine industry.
- Continue efforts to complete energy conservation programs to save an incremental 360,000 kilowatt-hours of energy across the store network and head office / distribution centre.
- Expand work with post-secondary institutions to educate on the harmful effects of binge drinking.
- Produce and deliver a guide for suppliers to provide clarity on laws and regulations and applicable NSLC policies.
- Participate in Conference Board of Canada benchmark study reviewing Crown corporation governance, business models, and management practices.

Customer: To deliver exceptional experiences and personalized serviced in dynamic retail environments.

- Integrate Wine Discovery Guide into the customer offer across multiple touch-points, helping build wine knowledge while empowering employees to provide an exceptional level of customer intimacy.
- Complete shelf management software upgrade; leverage additional functionality by integrating into current processes.
- Continue to implement the NSLC online retail and digital marketing strategy.
- Leverage Air Miles–based customer segmentation to deliver meaningful one-to-one offers.
- Improve overall merchandising intensity and grow overall awareness of in-store promotions.
- Develop and roll out training for Operating Standards at Cash, with the objective of delivering an appreciated personal lasting impression for customers.
- Complete year five of the retail network plan.
- Renew and refresh Mystery Shop program to ensure execution of key customer business objectives.
- Continue the rollout of the new Cool Zone brand experience as well as in-store strategic wine selling tools.

Reputation: To be a leading corporate citizen building strategic community engagement.

- Continue the "NSLC Sustainable Design" program for new construction and renovations where economically feasible.
- Rollout WE ID training and measurement program to manufacturers' retail stores.
- Establish new WE ID creative and further improve the employee training program.
- Develop and roll out targeted program aimed at increasing awareness of harms associated with providing alcohol to minors.

People: To have an enthusiastic and engaged team recognized for excellence.

- Utilize the "Employee Voice" online panel to measure employee engagement between biannual surveys and to gather employee feedback and opinions.
- Upgrade SharePoint to address performance and storage issues, and further develop its use in support of business processes.
- Enhance managers' performance management capabilities, clarify performance expectations, and strengthen the links between job competencies and training requirements.
- Review casual hiring and scheduling practices in an effort to reduce turnover, leverage training, and enhance the shopping experience.
- Develop and roll out a peer-to-peer recognition program.

Financial: To contribute $1.2 billion to our shareholder over five years and $275 million in 2015, while employing sustainable business practices.

- Balance the costs associated with attainment of strategic objectives with overall earnings goals, demonstrating responsible fiscal management.
- Explore business development opportunities that improve the NSLC's bottom line.
- Further develop and integrate a framework for ERM, ensuring that visibility and reporting of risks are in place.
- Continue review of organizational processes and controls, and implement solutions to further improve the control framework.
- Complete identified items on Year one IT Roadmap; ensure that systems are supported and progress continues to support long-term strategies within the desired technology adoption profile.
- Develop the next Five-Year Strategic Plan.

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Nova Scotia Municipal Finance Corporation

Business Plan 2014–2015

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Message from the Minister and the Chair

The Nova Scotia Municipal Finance Corporation (NSMFC) is a Crown corporation of the Province of Nova Scotia. The NSMFC was established by the Municipal Finance Corporation Act in 1979 and began business in January 1980. The Minister of Service Nova Scotia and Municipal Relations is responsible for the NSMFC.

The corporation's purpose is to provide the lowest cost of financing available to its clients, which include municipalities, municipal enterprises, school boards, and health authorities. In accordance with the Municipal Finance Corporation Act, all municipalities and municipal enterprises must finance their external capital requirements through the corporation. Currently, most school board and hospital capital expenditures are financed directly by the province.

The NSMFC is forecasting to have over $797 million in debentures outstanding at March 31, 2014. New debenture issues in 2014–2015 are estimated to be approximately $160 million, which will be balanced against debenture retirements of $97 million.

The corporation is governed by a board of directors appointed by the Governor in Council. Legislation requires that two of the board members be appointed on the recommendation of the Union of Nova Scotia Municipalities. An additional member of the board is appointed on the recommendation of the Association of Municipal Administrators of Nova Scotia. These appointments provide municipalities with important representation on the NSMFC board. Four full-time staff members of the corporation are supported through staff and resources from the provincial Departments of Finance and Treasury Board, Justice, and Service Nova Scotia and Municipal Relations.

The Honourable Mark Furey
Minister

Kevin Malloy, CA
Chair

Mission

To provide capital infrastructure financing to clients at the lowest available cost, within acceptable risk parameters, and to provide financial management advice and assistance to clients.

Planning Context

The NSMFC faces a number of challenges and opportunities in meeting its strategic goals in the upcoming year.

Ensuring access to capital markets and the financial and administrative ability to meet municipal government demand for capital infrastructure funding

Challenges:

- Global capital markets continue to face challenges, and this trend is expected to continue during the current year. Canadian capital markets are not necessarily insulated from the trends in these global markets. Global events may pose challenges for municipal debt issuers and the municipal sector's cost of funds.
- Municipal issuers may very well experience deteriorating financial conditions over the upcoming year.

Opportunity:

- The NSMFC continues to be able to borrow under the Province of Nova Scotia's provincial guarantee, which provides greater borrowing predictability and stability. The province's General Revenue Fund has purchased all NSMFC debt issues since 1998 and is expected to continue to do so in the future.

Maintaining current knowledge of developments in municipal government capital finance

Challenge:

- As a small organization, it is challenging to develop, maintain, and demonstrate expertise in municipal government.

Opportunity:

- Professional development is a priority at the NSMFC; each of the four full-time staff attends courses or conferences annually to maintain expertise in their field.

Maintaining financial self-sufficiency

Challenge:

- The NSMFC must remain economically viable in both the short and long terms. This includes matching assets and liabilities to both amount and maturity and maintaining banking arrangements and credit facilities, credit risk, adequate reserves, and the ability to manage administration expenses within the corporation's budget.

Opportunity:

- The NSMFC remains stable, as it has for over 30 years. In addition, no client of the NSMFC has ever defaulted on a loan, which enables the NSMFC to remain stable and continue providing loans to its clients.

Identifying client needs and responding to them

Challenge:

- Municipalities in Nova Scotia must plan and finance their long-term capital infrastructure needs.

Opportunities:

- Opportunities exist to assist municipal governments in Nova Scotia with long-term capital planning and financing options.
- Opportunities also exist to work with local governments to achieve North American standards in municipal financial management capacity through the adoption of recommended practices. For example, the NSMFC is working with the Town of Bridgetown to implement core financial management best practices.

The major risks to the corporation are reduced capital market receptiveness to smaller serial debt issues and the availability of human and financial resources needed to carry out its mandate. Some resources are directly under the control of the board, whereas others are provided by provincial departments. The NSMFC will continue to work with provincial departments to align both sets of priorities.

Strategic Goals

The NSMFC's strategic goals are designed to further municipal and departmental infrastructure objectives. Capital infrastructure is a major component of economic development in both attracting and retaining business investment and promoting communities that are appealing places to live.

The following strategic goals have been developed to assist the NSMFC in meeting its mission as well as to provide support for infrastructure, economic, and community priorities:

- Our clients will be provided with capital infrastructure financing at the lowest possible cost, within acceptable risk parameters, and their particular debt structure and timing needs will be met.
- Access to capital markets will be ensured through sound management of all financial aspects of the corporation, including credit risk and asset/liability management.
- Financial management knowledge in municipalities will be strengthened, and municipal capital project planning and financing will be promoted.

These goals are in line with the government priority of responsible fiscal management. Building and maintaining infrastructure creates jobs; allows local businesses to transport goods to market; connects Nova Scotians to vital services, employment, and education; and leads visitors to every corner of the province.

Core Business Areas

1. Providing flexible financing options at the lowest available cost

- Provide financing for clients' approved funding requirements by using pooled debenture issues and short-term loans.
- Facilitate and participate in loans to municipalities from financing sources such as the Federation of Canadian Municipalities Green Municipal Fund, where funding is available for projects meeting established criteria at below-market rates.

2. Ensuring access to capital markets

- Ensure that appropriate processes are in place for evaluating the creditworthiness of the loans made by the corporation.
- Ensure that the corporation's assets and liabilities are closely matched in both amount and maturity.
- Administer the corporation's financial resources prudently to ensure that its administrative expenses and reserve balances are within approved policies.

3. Helping build financial management and knowledge

- Partner with municipal clients, Service Nova Scotia and Municipal Relations, and the Association of Municipal Administrators of Nova Scotia on the topic of capital planning and finance.
- Develop programs and services geared toward enhancing our clients' knowledge of capital planning and financing. For example, partner with the Town of Bridgetown to implement core financial management best practices.
- Maintain links with the investment community, public sector finance practitioners, and academics, and carry out research as required to enable the corporation to respond to changing client needs.

Priorities for 2014–2015

The following details the actions, products, and services that the NSMFC intends to carry out in order to fulfill the corporation's mission and to meet its strategic goals.

1. Providing capital financing at the lowest available cost

- The NSMFC will provide low-cost financing by issuing pooled debentures for the approved amount required to meet municipal borrowing requirements and lending a similar amount to our clients. In 2014–2015, the new debenture issuances are expected to be approximately $160 million, which is balanced against retirements of existing debentures of approximately $97 million.
- Pooling of capital requirements allows the NSMFC to access capital markets and achieve pricing based on the Province of Nova Scotia credit spreads.

- The corporation will offer short-term financing for municipalities to fund cash flow requirements between the completion of capital projects and the issuance of debentures.
- The NSMFC will facilitate and participate in loans to municipalities from the Federation of Canadian Municipalities Green Municipal Fund, where funding is available at below-market rates for projects meeting established criteria.

2. Ensuring access to capital markets

- Obtain verification of creditworthiness from Service Nova Scotia and Municipal Relations (for municipal borrowers) prior to setting the parameters for pooled issues.
- Match the amount, term, and timing of NSMFC debentures with loans to municipalities.
- Manage the NSMFC's financial resources (budget and reserves) in accordance with policies established by the corporation's board of directors.

3. Helping build financial management and knowledge

- Sponsor training workshops aimed at enhancing the overall knowledge of municipal finance and budgeting for municipal staff and councillors.
- Offer training designed to promote effective and efficient financial management.
- Promote the municipal use of the Debt Affordability Model, and provide technical support for municipal administrators. The Debt Affordability Model is a tool used by municipalities to help determine how much debt is too much debt to carry. The model can also be used by municipalities for multi-year budgeting and forecasting and analyzing revenue and expenditure options.
- Conduct research and analysis of what municipalities require to increase clients' infrastructure borrowing capacity, and develop and tailor our programs and services accordingly.
- Work with the corporation's lead managers and other members of the investment community, staff of the Nova Scotia Department of Finance and Treasury Board, other municipal finance corporations, and others involved in municipal capital financing to identify evolving municipal government financial needs and the optimum means of satisfying them.

Budget Context

Nova Scotia Municipal Finance Corporation Administration Budget

	Estimate 2013–14 ($ 000)	Forecast 2013–14 ($ 000)	Estimate 2014–15 ($ 000)
Total program expenses (gross current)	557.8	533.0	581.5
Net program expenses (net of recoveries)*	0.0	0.0	0.0
Salaries and benefits	372.2	382.3	385.0
Funded staff (gross FTEs)	4	4	4

* The NSMFC is completely self-funded. The costs of administration are covered through an administrative fee that is levied on all municipal loans and from interest revenue earned on investments.

NSMFC Statement of Financial Position March 31, 2013

Financial assets	**($)**
Cash and cash equivalents	6,608,565
Accrued interest receivable	9,976,260
HST receivable	752
Accounts receivable	5,224
Loans to municipal units	771,619,792
Total assets	**788,210,593**
Financial liabilities	
Accounts payable	21,522
Employee obligations	83,917
Accrued interest payable	9,966,465
Debentures	771,581,620
Total liabilities and equity	**781,653,524**
Net financial assets	**6,557,069**
Accumulated surplus	**6,557,069**

NSMFC Statement of Operations March 31, 2013

	Estimate 2012–13 ($)	Actual 2012–13 ($)
Revenue		
Interest on loans to units	31,530,939	31,986,205
Interest on short-term investments	62,629	85,404
Recovery of issue cost	341,666	439,106
Administration fee	500,000	688,946
Total revenue	**32,435,234**	**33,199,661**
Expenses		
Interest on debenture debt and short-term loans	31,528,676	31,983,909
Debenture issue expense	341,808	439,696
Administrative expense	555,415	482,514
Total expenses	**32,425,899**	**32,906,119**
Annual operating surplus (deficiency)	**9,335**	**293,542**
Accumulated surplus, beginning of year	**6,263,527**	**6,263,527**
Accumulated surplus, end of year	**6,272,862**	**6,557,069**

Outcomes and Performance Measures

Core Business Area 1 *Providing Capital Financing at the Lowest Available Cost*

Outcome	Measure	Data	Target: 2014–15	Target: 2015–16	Strategies to Achieve Target
Provision of lowest available cost of financing to clients in a timely manner	Percentage of clients that are satisfied with the timing of debenture issues (2013 client satisfaction survey)	90%	95%	95%	Align debenture issues with the construction completion schedule and capital budgeting process Improve application process by working with clients to ensure quick processing of debenture documents
	Percentage of clients that agree the debenture terms and structure are flexible enough to meet their needs (2013 client satisfaction survey)	90%	95%	95%	Promote short-term financing program Work with clients on financing options (payments and terms) Communicate financing options more effectively (i.e., through the website and consultations) Communicate NSMFC rates and products more effectively with clients (e.g., through the AMA list server and consultations)
	Quality of credit loans	Procedures ensure creditworthiness of loans	Regular review of loan procedures	Regular review of loan procedures	Maintain quality of portfolio
	Pricing received from lead managers in relationship to the Province of Nova Scotia's cost of funds	Provincial guarantee allows the NSMFC to price off the Province of Nova Scotia spread	Maintain access to the provincial guarantee	Maintain access to the provincial guarantee	Promote profile of NSMFC credit quality to maintain a strong relationship with government to ensure its support of the provincial guarantee

Core Business Area 2 *Ensuring Access to Capital Markets*

Outcome	Measure	Data	Target: 2014-15	Target: 2015-16	Strategies to Achieve Target
Ensure that a sustainable source of funding is available from clients to ensure the operational viability of the corporation	Client default rate	0%	0%	0%	Ensure that all loans are creditworthy Promote the Debt Affordability Model Play a more active role in the creditworthiness procedure (Temporary Borrowing Resolutions) Monitor loan payment process
	Matching assets and liabilities Matching of aggregate amounts, terms, and timing of debentures and loans	Assets are closely matched to term and timing	Maintain matching strategy	Maintain matching strategy	Match the term and timing of NSMFC debentures and loans to clients

Core Business Area 3 *Helping Build Financial Management Knowledge*

Outcome	Measure	Data	Target: 2014-15	Target: 2015-16	Strategies to Achieve Target
NSMFC client use of the Debt Affordability Model	Percentage of municipal clients that have used the Debt Affordability Model	50% (2013 survey results)	60%	60%	Work with clients to help them implement the Debt Affordability Model Tailor Debt Affordability Model to better suit the needs of clients
NSMFC client use of the Financial Management Best Practices	Percentage of municipal clients that have used the Financial Management Best Practices	35% (2013 survey results)	40%	50%	Work with clients to help them implement best practices of their choice Implement Core Best Practices in Town of Bridgetown. Promote as best practice
Increased overall municipal finance knowledge among municipalities	Attendance at NSMFC-sponsored Municipal Finance Workshops	61%	75%	80%	Promote the workshops more effectively to municipal staff and council members Maintain the no-fee structure to attend the workshop
Increased knowledge of NSMFC programs and services	Percentage of municipal clients that are aware of NSMFC programs and services	86% (2013 survey results)	95%	95%	Update and revitalize website Develop web-based programs, such as webinars Use e-mail to communicate with Directors of Finance to keep them informed about NSMFC's programs and services Obtain greater exposure to municipal councils to promote programs and services

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Nova Scotia Power Finance Corporation

Business Plan 2014–2015

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Mission

To ensure that the debt of NSPC, which is guaranteed by the province, is discharged in an orderly and timely manner.

Introduction

Under an Asset Transfer Agreement, dated August 10, 1992, Nova Scotia Power Corporation (NSPC) transferred all of its existing assets, liabilities, and equity, except for long-term debt and related sinking funds, to the privatized company Nova Scotia Power Inc. (NSPI) in exchange for matching notes receivable equivalent to the outstanding long-term debt, matching notes payable equivalent to sinking fund assets, and an amount of fully paid common shares. The common shares were sold in a secondary offering on August 12, 1992. Subsequent to the reorganization and privatization, the business activities of NSPC continued under NSPI. Concurrently, the Nova Scotia Power Corporation changed its name to Nova Scotia Power Finance Corporation (NSPFC). NSPFC retained the long-term debt, which is guaranteed by the province, and the related sinking funds. The entire original debt of CAD 2,152,879,732, guaranteed by the province, was offset by sinking funds, and the balance was defeased as per the agreed schedule at December 31, 1997.

In terms of the Nova Scotia Power Reorganization (1998) Act, NSPI was reorganized as a holding company, NS Power Holdings Inc., in December 1998. The holding company structure does not change the underlying obligations under the existing agreements. The holding company changed its name to Emera Incorporated on July 10, 2000.

Planning Context

NSPFC continues to be on target to meet its mission objective, outlined above, during the course of the current planning horizon.

Performance in 2013–2014

The outstanding debt continues to be defeased in accordance with the terms of the Defeasance Agreement, and the defeasance assets are adequate to ensure the repayment of all NSPC debt guaranteed by the province.

Strategic Goal

To monitor the adequacy of the defeasance portfolio and to ensure the repayment of all NSPC debt guaranteed by the Province of Nova Scotia at the respective dates of each debt maturity.

Core Business Area

NSPFC is responsible for monitoring the defeasance and repayment by NSPI of its debt guaranteed by the Province of Nova Scotia. NSPFC holds notes payable by NSPI in case of default of NSPC debt repayment.

The final guaranteed note matures February 26, 2031.

Pr[illegible]ties for 2014–2015

1. To ensure continuing progress toward elimination of NSPC debt guaranteed by the Province of Nova Scotia and defeased by NSPI.
2. To review the defeasance assets to ensure that the defeasance program is positioned such that any potential for capital losses are minimized and that there is a very high likelihood of the program achieving its goals.

Budget Context

NSPFC has no employees. NSPI executes necessary transactions to create and maintain the defeasance portfolio. The monitoring of NSPI debt defeasance is performed by a board of directors, appointed by the Government of Nova Scotia, with staff support from the Nova Scotia Department of Finance. The accounting firm of Deloitte certifies that the defeasance assets arranged by NSPC are sufficient to fully defease the outstanding NSPC debt guaranteed by the province. Under the terms of the privatization agreements, NSPI is responsible for the payment of all NSPFC expenses.

Outcomes and Performance Measures

Outcome 1

Entire outstanding debt defeased in accordance with the Defeasance Agreement.

Measure

The Defeasance Agreement required the defeasance of a minimum of $1,381,600,000 of outstanding NSPC debt by December 31, 1997. This minimum has already been met and surpassed, $1,440,290,000 having been defeased by March 31, 1997.

Outcome 2

Defeasance assets are adequate to ensure the repayment of all NSPC debt guaranteed by the province.

Measure

Outstanding debt as at March 31, 2013, was $550,000,000 denominated in Canadian dollars, and US-issued debt was $304,680,000 in Canadian dollars; defeased assets as at March 31, 2013, had principal values in excess of these amounts. Canadian assets had market values of $862,802,000, and US assets had market values of $443,654,000 in Canadian dollars, thus rendering the guaranteed debt fully defeased. The adequacy of defeasance assets to fully repay all of the outstanding NSPC debt guaranteed by the province is certified by the auditing firm Deloitte.

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Nova Scotia Provincial Lotteries and Casino Corporation

Business Plan 2014–2015

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Message from the Minister, Chair, and A/President & CEO

We are pleased to present the Nova Scotia Provincial Lotteries and Casino Corporation (NSPLCC) Business Plan for 2014–2015. The plan focuses on the continued commitment to offer a gambling industry that is as socially responsible as possible while delivering reasonable profits to support important programs, services, and infrastructure that benefit all Nova Scotians.

In addition to managing the lottery and casino business, NSPLCC will continue to invest in and offer first-class responsible gambling programs. With a mandate to deliver 100 per cent of the profits from regulated gambling to help support important government programs and services, NSPLCC and its operators are proud to be key contributors to the Nova Scotia economy.

NSPLCC is a passionate supporter of a healthy and vibrant province. The 2014–2015 Business Plan links a progressive business culture with a commitment to giving back to communities throughout Nova Scotia. For example, through the *Support4Sport* program, Nova Scotians have raised more than $20 million to support local athletes, coaches, officials, and community sport organizations since its inception in 2006. This program is now the largest contributor to sport in Nova Scotia and reflects a longstanding historical link between gambling and sport. In 2013, NSPLCC launched *Support4Culture*, modelled on the successful *Support4Sport* program. The new program will contribute $2 million in funding annually to support the arts and culture sector.

NSPLCC's plan for 2014–2015 highlights the corporation's strategies to achieve responsible economic returns in an environment where there is increasing competition from both regulated and non-regulated gambling options. NSPLCC is committed to offering Nova Scotians a socially responsible and economically sustainable gambling industry in the province.

Respectfully submitted,

The Honourable Andrew Younger
Minister responsible for Part I of the Gaming Control Act

Kelliann Dean
Chair, Board of Directors

Robert MacKinnon
A/President & CEO

Mission

To lead a socially responsible and economically sustainable provincial gambling industry for the benefit of Nova Scotians and their communities.

Planning Context

NSPLCC's planning environment for 2014–2015 is shaped largely by economic factors, competitive pressures, and important social responsibility programs.

NSPLCC's revenues depend on consumers purchasing its products. Purchases of gambling products or services are a discretionary expenditure, and history has shown that major or sustained negative economic conditions can be detrimental to gambling revenues. NSPLCC has incorporated the province's economic assumptions for 2014–2015, which include modest economic growth and a relatively stagnant tourism market.

The latest tourism numbers indicate that visitation to Nova Scotia has increased approximately 2 per cent year-over-year; however, the demand for overnight accommodations from visitors to the province has been down slightly compared to prior years. Visitation for 2014–2015 is uncertain, particularly for those from outside Canada; therefore, no growth from this segment is reflected in the budgeted performance for NSPLCC business lines. As a result, NSPLCC has incorporated little growth in revenues, due to economic factors.

NSPLCC competes for consumers who are faced with an array of choices of where to spend their discretionary entertainment dollars, including both regulated and unregulated gambling offerings such as those offered through the Internet. Nova Scotia's casinos will continue to face direct competition from the casino in Moncton. In addition, First Nations' gambling, including First Nations VLTs, which are expected to generate $46 million in revenue for 2014–2015, will continue to be a competitive pressure on NSPLCC's video lottery and casino business lines.

Nova Scotia's regulated gambling industry must be competitive in offering consumers gambling products that are fun, relevant, and responsible, and that provide entertainment value in an environment of fairness and integrity. Many of NSPLCC's video lottery assets were at the end of their useful life and are no longer being supported by vendors. As such, NSPLCC began replacing older terminals in 2013–2014. Approximately 50 per cent of the legacy terminals have been replaced, and the remaining terminals will be replaced throughout 2014–2015. While this has resulted in favourable expense levels in prior years, capital and operating costs must be incurred to complete the replacement of aging assets and to ensure that NSPLCC continues to meet its responsible gambling objectives.

The public demands that government offer regulated gambling in the most socially responsible manner possible. NSPLCC will continue to demonstrate its commitment to responsible gambling. Corporate social responsibility is a critical part of the business model for the gambling industry in Nova Scotia. NSPLCC launched its Social Responsibility Charter in October 2006, which outlined the corporation's commitments in five pillars:

1. Responsible gambling
2. Integrity and security
3. Citizens and communities
4. Corporate governance
5. Stakeholder relationships

These pillars delineate what social responsibility represents in the provincial gambling industry, what is expected of NSPLCC as a socially responsible corporate citizen, what NSPLCC's commitment is in meeting these expectations, and how operators and retailers will contribute to the industry as a whole in achieving these outcomes.

NSPLCC has ensured alignment of its business efforts for 2014–2015 with the Social Responsibility Charter. In particular, the charter's focus on responsible gambling and greater accountability is strongly aligned with NSPLCC's operations. In 2014–2015, NSPLCC will continue its focus on social responsibility and will pursue initiatives to fulfill the commitments established in the charter.

The mandate for youth prevention programs transitioned to the Department of Health and Wellness in 2013–2014. NSPLCC will continue to work closely with the Department of Health and Wellness to ensure that the mandate is transitioned effectively and smoothly through 2014–2015.

It is within the above context that NSPLCC considers the 2014–2015 fiscal year.

Strategic Goals

NSPLCC has three strategic goals to support the achievement of its mission.

Goal #1: Pursue a sustainable gambling industry

NSPLCC will ensure responsible economic return to the province by

1. accruing direct financial benefits to government, the shareholder of NSPLCC
2. utilizing sustainable business models, incorporating systems to fulfill NSPLCC's commitment to integrity and security, and making evidence-based decisions that incorporate responsible gambling in the design, delivery, promotion, and use of its products
3. facilitating benefits to communities, businesses, organizations, and individuals across the province

Goal #2: Foster social responsibility in all aspects of NSPLCC's operations and business decisions

NSPLCC will advance its social responsibility agenda by

1. leading responsible gambling initiatives that provide Nova Scotians with the information they need to make informed decisions
2. leveraging designated revenue and industry expertise to support good causes throughout the province
3. promoting an environmentally friendly work environment
4. being an excellent employer

Goal #3: Ensure accountability is at the forefront of NSPLCC's management and communications to its stakeholders and to all Nova Scotians

NSPLCC will provide strong management and accountability by

1. ensuring timely and complete communication to the media, public, and stakeholders
2. managing the business of gambling in an efficient and effective manner
3. making responsible, evidence-based decisions

Core Business Areas

- To develop social and economic strategies that align with NSPLCC's Social Responsibility Charter, and to support the achievement of identified goals and outcomes.
- To oversee the operations of its operators — the Atlantic Lottery Corporation (ALC) and Great Canadian Gaming Corporation (GCGC), which operates the two Casino Nova Scotia (CNS) facilities in the province — and to lead the implementation of responsible gambling programs.
- To foster open communications with key audiences, including the shareholder, stakeholders, and the public.

NSPLCC performs a number of key activities in carrying out these functions.

Responsible Industry Development

NSPLCC's goal is to develop the gambling industry in Nova Scotia by managing and implementing policy decisions of government in the most responsible manner possible. NSPLCC focuses on initiatives that will develop a balanced and socially responsible industry that is sustainable and benefits all Nova Scotians. There are three aspects to this activity:

Policy and Planning Development – NSPLCC will continue to explore new opportunities through policy and planning development. The main focus of this element is to create an environment that is conducive to a sustainable and socially responsible gambling industry in Nova Scotia that aligns with the province's objectives for gambling.

Responsible Product Implementation – NSPLCC is committed to making evidence-based decisions in assessing changes to the current product and gambling environments, using responsible gambling and problem gambling experts to assist in this process.

Social Responsibility – Nova Scotia has been recognized as an expert in the field of responsible gambling and is noted as being among the most socially responsible gambling jurisdictions in the world. NSPLCC will continue to offer responsible gambling initiatives that promote awareness, education, and informed choice.

Operations Management

This involves the progressive and effective management of NSPLCC's businesses: ticket lottery, video lottery, and casinos. The three key elements under this activity are as follows:

Operator Management – Effective management of the operators' (ALC and CNS) businesses as they relate to Nova Scotia is a critical function for NSPLCC to ensure that there is alignment of efforts and that priority initiatives are completed as planned. Ensuring that operators offer products in an environment of security and integrity is a key objective.

Risk Management and Quality Control – This involves proactive risk management and effective quality control of NSPLCC and its operators' day-to-day activities and the business environments in which they operate.

Compliance Management – This is a critical component of NSPLCC's activities, requiring that all its business activities and those of its operators conform to applicable legislation, regulations, contracts, and policies. Careful and successful oversight of operations allows NSPLCC to identify areas that require enhancement and ensures that the industry is managed to the highest standards of integrity, public confidence, and security.

Public and Stakeholder Communications

NSPLCC is accountable to the people of Nova Scotia. This involves timely and relevant communication of information to meet NSPLCC's standard of openness and transparency.

Priorities for 2014–2015

1. Pursue a Sustainable Gambling Industry

In striving to generate responsible economic returns, NSPLCC will focus its attention on the following priorities in 2014–2015:

Casinos – The overarching objective is to become more externally focused and player driven. CNS will work to increase patron engagement and ensure that the casinos offer a guest-centric entertainment experience that meets and exceeds players' expectations. CNS will also evaluate ongoing tactics to support long-term sustainability of the casino properties. The casinos will focus on the total casino experience by ensuring that entertainment is a key component in every aspect of the casino operations. The casinos will continue to provide guests with the newest and most exciting games on the market, high-quality dining, and compelling and attractive entertainment offerings.

Efforts will also be made to build and improve the public profile of the two casinos in Nova Scotia, which are important economic drivers in the province. The casinos will leverage their community involvement to engage local communities and civic organizations that will foster the opinion of the casino industry and the casino properties as being a safe, fun, and entertaining place to visit, and an integral and vital part of the Nova Scotia economy.

Ticket Lottery – Ticket lottery is NSPLCC's most mature business line. Given its mature state, investments are required to sustain the existing business. Atlantic Lottery will focus on evaluating and developing strategies that will responsibly grow the ticket lottery player base and provide a framework for sustainable growth. The Ticket Lottery business will focus on re-engaging current and lapsed players, while making efforts to attract new players to broaden the player demographic for lottery products.

The plan for 2014–2015 is to maintain growth associated with the launch of the enhanced Lotto 6/49 game in September 2013, as well as the continuation of a successful 2nd Chance program related to the Scratch'N Win category.

In 2014–2015, NSPLCC will continue to strive to improve the player experience for those players who choose to purchase lottery products online, and to sustain NSPLCC's ability to compete with competitors in the online space. NSPLCC will strive to ensure that the transactional web portal and any player-facing components meet industry standards and the players' expectations. In addition, NSPLCC will continue to ensure that the online platform offers a safe and regulated environment in which to play, as well as providing sufficient harm-mitigation tools for those who choose to gamble online.

Video Lottery – The *My-Play* System is a card-based video lottery information system that provides information to video lottery players about their play so that they can make informed decisions. The system became mandatory on April 1, 2012, and continues to provide players with both full and light enrolment options. With mandatory enrolment, players are required to enrol in the system before they can play video lottery in Nova Scotia. Considerable efforts have been taken to ensure the system is meeting its intended objectives. Further amendments will be required to ensure that players have access to appropriate information and the tools they may want in order to support their decision making.

The replacement of all remaining legacy VLTs, a project that commenced in early 2013–2014, will be completed in 2014–2015, and new game content will be launched to improve product relevance to today's VLT player. VLTs are a mature product and are unlikely to be a sustainable source of revenue for government in the long-run. Focus will be on stabilizing the video lottery business and evaluating opportunities to improve product offerings at video lottery sites. Efforts will also be taken to further integrate responsible gambling into the day-to-day operations of VLTs at retail locations in order to reduce the stigmatization of VLTs and VLT players.

2. Foster Social Responsibility

Responsible gambling programs remain a priority for NSPLCC in 2014–2015. NSPLCC's Social Responsibility Charter guides the organization in its responsible gambling programming, focusing on providing players with the tools they need to make informed gambling decisions. As such, the cornerstone of NSPLCC's social responsibility commitment remains its commitment to responsible gambling programming.

The development of the charter in 2006 put social responsibility top of mind for NSPLCC, and it is integrated into corporate culture and business processes. All aspects of NSPLCC's business are looked at through a social responsibility lens to ensure that NSPLCC's commitment to balancing economic sustainability with social responsibility is met.

NSPLCC's commitment to responsible gambling will be demonstrated by the continuation of a number of responsible gambling initiatives, including the following:

- Responsible Gambling Awareness Week
- Responsible Gambling Resource Centres at both casinos
- Responsible gambling tools and training for ticket and video lottery retailers, casino staff, and NSPLCC employees.

In 2014–2015, NSPLCC will continue to offer products that are as socially responsible as possible. Responsible Gambling Assessments (RGA) will be performed by NSPLCC and its operators to ensure that all new products, marketing initiatives, and projects are reviewed using an industry best-practice evaluation program. This will ensure a common approach to social responsibility by NSPLCC and its operators within the province's gambling industry. NSPLCC will continue to collaborate with industry experts in the field of responsible gambling to ensure that best practices are employed in the region and Nova Scotians benefit from a leading responsible gambling industry.

Nova Scotia's communities will continue to receive support from NSPLCC. The *Support4Sport* program, which raises funds through the sale of designated lottery products, is expected to raise $3 million for sport, which will be used to buy sports equipment, create recreation/participation programming for all ages, support performance training programs for competitive athletes, and hire coaches at all levels, making it the largest source of funding for amateur sport in the province.

In addition, the *Support4Culture* program, another designated lottery program, was launched in 2013 and is expected to raise $2 million annually for arts, culture, and heritage in communities throughout Nova Scotia.

The *Support4Communities* program provides in-kind support and learning opportunities for charitable organizations in communities throughout the province. Initiatives include the *Support4Communities* Casino Night program, which supports licensed Monte Carlo fundraisers, and *Support4Community* Fundraising Seminars, which provide learning opportunities for community leaders and charitable organizations wanting to improve their fundraising efforts.

Other means of community funding include

- support of community organizations
- support to the harness racing industry as per the Nova Scotia Harness Racing Fund Regulations
- funding of Nova Scotia Cultural Federations, Exhibition Association of Nova Scotia, and Sport Nova Scotia as per the Atlantic Lottery Regulations

3. Ensure Accountability and Communications

Each year, 100 per cent of gambling profits are delivered back to the province. They provide significant benefits to all Nova Scotians through the funding of provincial programs and services, including education, transportation, and health. In 2014–2015, NSPLCC will provide

$117.3 million to continue to fund essential provincial programs and services.

The gambling industry also creates and supports jobs employing approximately 590 people and injects $34 million in retail commissions into local Nova Scotia businesses. In addition, through NSPLCC's *Support4Sport*, *Support4Culture*, and *Support4Communities* programs, gambling revenue also helps many organizations and causes that are important to Nova Scotians. Given that the direct benefits of gambling are significant to the province, NSPLCC is committed to ensuring that the gambling industry continues to operate in a responsible, effective, and efficient manner so that these benefits can be sustained.

As a public organization, NSPLCC must be transparent, with timely and open communications to all Nova Scotians. To achieve this, quarterly reports, an annual report, a business plan, a community report, fact sheets about NSPLCC programs and the gambling industry, and news releases will be made available through NSPLCC's website throughout the year. Working with its operators, NSPLCC will continue to ensure that Nova Scotians stay informed about where gambling revenues go and about responsible gambling programs and the gambling industry in Nova Scotia.

Budget Context

	Estimate 2013–14 ($ 000)	Forecast 2013–14 ($ 000)	Estimate 2014–15 ($ 000)
Sales			
Casinos	78,300	78,600	78,100
Ticket Lottery	212,900	213,000	216,200
Video Lottery	117,400	106,000	106,800
Total Sales	**408,600**	**397,600**	**401,100**
Cost of sales	287,500	280,600	284,500
Gross profit	**121,100**	**117,000**	**116,600**
Expenses			
Responsible Gambling programs	7,000	5,800	6,900
Commitments to Community programs	6,600	6,500	6,600
Total expenses	**13,600**	**12,300**	**13,500**
Net income	107,500	104,700	103,100
Casino Win tax	**14,200**	**14,200**	**14,200**
Payment to province	**121,700**	**118,900**	**117,300**

Outcomes and Performance Measures

Core Business Area

Outcome	Indicator	Measure	Target: 2014–15	Target: 2018–19	Strategies to Achieve Target
Pursue sustainable gambling industry	Total payment to province	Actual to budget	$117.3 million (±10% of budget)	$123.4 million (±10% of budget)	Monitor Operators to ensure compliance with business plans
	VL as % of total net income	Stabilize net income from VLT operations	62% (2010–11 baseline measure)	62%	Improve VLT operations & replace VLTs
	Commissions to retailers	$ amount paid	$34.0 million	$35.0 million	Leverage new lottery products and make enhancements to the video lottery business line
Foster social responsibility	Awareness of responsible gambling behaviours	% of public that can cite at least two responsible gambling behaviours	25%	25%	Responsible Gambling Awareness Week
	Raise public awareness and support for responsible gambling and prevention programs	% of public who support commitment to responsible gambling	70%	75%	Implement key community programs
Ensure accountability and communications	Response to routine access requests for information	% response within 2 business days	100%	100%	Employ sound operations management
	Reports submitted on or prior to legislated deadlines	% of NSPLCC and Operator reports provided before due date	100%	100%	Incorporate targets into employee personal performance plans
	Introduction of socially responsible products	% of products introduced with Responsible Gambling Assessment	100%	100%	Continue to conduct Responsible Gambling Assessments

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Sydney Steel Corporation

Business Plan 2014–2015

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Message from the President

The Honourable Geoff MacLellan
Minister Responsible for Sydney Steel Corporation Act
Government of Nova Scotia
Halifax, Nova Scotia

In accordance with government policy, please find enclosed the business plan of Sydney Steel Corporation (Sysco) for the fiscal year ending March 31, 2015.

With the decommissioning of the steel plant complete and site remediation activities in the final stages, Sysco has only limited activities relating to a few outstanding obligations resulting from its former operations.

Redevelopment of the former Sysco site by the Crown corporation Nova Scotia Lands Inc. is now well advanced toward a premium commercial park and port facility in the centre of the city of Sydney.

We trust that this limited business plan is satisfactory for the fiscal year ahead.

Yours truly,

Gary Campbell
President, Sydney Steel Corporation

Planning Context

Sydney Steel Corporation (Sysco) reports to the Minister of Transportation and Infrastructure Renewal, Province of Nova Scotia, and maintains a head office in Sydney, Nova Scotia.

Sysco's primary activities, subsequent to the closure of the steel mill in 2001, included demolition of structures, processing and sale of scrap steel, remediation of the site, and sale of surplus assets.

During fiscal 2007–2008, it was recognized that the mandate of Sysco was undergoing a significant change. In recognition of this change, it was determined that the future activity of remediation of the Sysco property and its redevelopment as a commercial park facility would be conducted by a new agency, Nova Scotia Lands Inc., purposely designed to meet the property remediation and management role.

Therefore, Sysco will continue to be dormant, with ongoing operations contracted to Nova Scotia Lands Inc. Sysco will remain active only to deal with residual issues arising from historic operations.

Priorities for 2014–2015

The plan for Sysco during the 2014–2015 fiscal year is to continue to wind up activities and have the corporation remain dormant.

Remediation of north lands have been basically completed and can now be sold to Harbourside Commercial Park, at fair market value, for redevelopment as part of the industrial park. The only area to remain with Sysco will be the slag pile and quarry. Liabilities still exist for long-term maintenance, monitoring, and redevelopment as slag is mined and product sold.

Budget Context

	Estimate 2013–14 ($000)	Forecast 2013–14 ($) ($000)	Estimate 2014–15 ($) ($000)
Revenue			
Contribution from the province	4,916	3,595	1,395
Gain on sale of assets	1,000	—	1,000
Interest income, miscellaneous revenue	5	5	5
Total revenue	**5,921**	**3,600**	**2,400**
Expenses			
Other remediation activities	100	100	100
Consulting	750	700	500
Funding to NSLI for remediation activities	4,071	2,800	800
Total expenses	**4,921**	**3,600**	**1,400**
Net income	**1,000**	**0**	**1,000**
FTEs	—	—	—

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Trade Centre Limited

Business Plan 2014–2015

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Message from the CEO and the Chair

With an entrepreneurial spirit, Trade Centre Limited (TCL) delivers on our mandate through a deliberate and collaborative approach that drives economic and community impact. The partnerships we create through event hosting and attraction provide a foundation for growth and innovation, ultimately creating benefits that impact all Nova Scotians.

Our strategy for 2014–2015 is rooted in maintaining Nova Scotia's competitive advantage as an event destination. We will focus our business on delivering what we promise. Marketing and selling Nova Scotia's new Halifax Convention Centre is our primary focus. We will continue working collaboratively with provincial partners and champions to ensure that the venue and the destination are successful.

Working closely with our government partners, we will continue to manage TCL operations in an open and transparent manner to maintain public and stakeholder confidence. We will execute on strategies and activities that align with the expectations of the Province of Nova Scotia and Halifax Regional Municipality (HRM).

As we look forward to 2016, our organization and our operations are evolving. While we plan for change, we will also ensure that our core business and current facilities are run efficiently and effectively. We will reinforce the service-oriented culture for which we are known as we prepare for a future that maximizes the iconic nature of our facilities to generate greater economic benefit and promote the brands of Halifax and Nova Scotia.

Yours truly,

Scott Ferguson
President and CEO

Justin McDonough
Chair, TCL Board of Directors

Mission

Trade Centre Limited creates economic and community benefits by bringing people together in Halifax and Nova Scotia.

Planning Context

Because Nova Scotia is a small economy, the province's economic performance is strongly influenced by others. Forecasts suggest that worldwide economic growth is expected to be higher in 2014. Economic recovery has taken a firmer hold in Nova Scotia's traditional markets of the United States and Europe. Both the Canadian and Nova Scotian economies are expected to have stronger growth in 2014 than 2013. Export growth will be aided by recovery in American demand and depreciation of the Canadian dollar. The lower Canadian dollar makes Nova Scotia more attractive in terms of travel and locating business activity, such as conferences and filming, here.

Within the government planning context, the release of the report of the Nova Scotia Commission on Building Our New Economy (Ivany Commission) and the independent review of provincial economic development assistance programs – and the government's response – will affect economic development in Nova Scotia. The impact of this work on TCL's business is not yet known; therefore, the 2014–2015 business plan is based on the current environment.

TCL is focused on increasing economic value through attracting and hosting meetings and conventions, along with entertainment, cultural, and sporting events. Events bring people together, acting as a catalyst for community and economic development across Nova Scotia. Events also provide a platform for increasing the recognition of Nova Scotia's brand, creating opportunities to attract business and visitors from around the world that, in turn, generate jobs, tax dollars, and new spending in our economy. Combined, these benefits make events a key component to the sustainable growth of Nova Scotia.

Amid worldwide economic challenges and fluctuations, the events and meetings sector remains a stable and a highly competitive global environment. Event-hosting intention is strong among key client segments both nationally and internationally. With the new Halifax Convention Centre, Nova Scotia will be home to the first convention facility in the region capable of hosting significant and multiple national and international events. Combining larger and more flexible space with a prime location in the heart of Halifax's downtown core, this new facility will allow us to meet the growing needs of our clients and delegates while reaffirming our position as Atlantic Canada's leading event destination. It will create thousands of jobs and more prosperity by attracting more people to the province and connecting them with communities across Nova Scotia. The Province of Nova Scotia and HRM continue in their work to define the approach to governance and operations of the new Halifax Convention Centre. As such, TCL's approach to business activity in 2014–2015 may evolve with direction from government in this area.

As a hallmark of the major events landscape in Atlantic Canada, the Halifax Metro Centre will continue in its role as a catalyst to a vibrant Halifax region. This facility is critical to the ongoing attraction of high-calibre events to Halifax. Moving forward with plans to secure a corporate naming rights partner in collaboration with HRM will ensure that the Halifax Metro Centre is equipped to continue to deliver a product that is aligned with customer and community expectations.

Strategic Goals

TCL operates within the framework of four interconnected and interdependent strategic priorities.

1. **Growth/Financial** – Create greater economic impacts by growing current business and developing new markets.
2. **Community Partnerships** – Build committed partnerships within the community, government, and business by leveraging our model to build strong inclusive networks that promote collaboration and drive mutually beneficial results.
3. **People** – Attract, develop, and engage a committed and motivated team of professionals through innovative approaches to support future growth of the events industry in Nova Scotia.
4. **Infrastructure** – In partnership with government and other stakeholders, lead the planning and development of the infrastructure necessary to attract and host major international, national, and community events.

In addition to these four strategic goals, TCL is committed to ensuring that we demonstrate a commitment to a culture of accountability and organizational effectiveness, and TCL has defined priorities in this area. TCL will continue to work with its board of directors and government stakeholders to define our future vision, with the expectation of a completed five year strategic plan within the 2014–2015 fiscal year. This activity will result in sustaining and strengthening TCL's ability to lead the growth of the event economy in Halifax and Nova Scotia.

Core Business Areas

World Trade & Convention Centre (WTCC): The WTCC consists of approximately 50,000 square feet of convention and meeting space, hosting between 600 and 700 events annually and attracting approximately 100,000 people from around the province and around the world. Customer service excellence coupled with world-class-quality culinary experiences are the trademark of the WTCC. With construction underway on the new Halifax Convention Centre, TCL will focus our sales and marketing efforts on business attraction for this new facility with a planned opening date of 2016. This world-class facility, located in downtown Halifax, will ensure we are able to meet the growing expectations of meeting and convention planners worldwide and strengthen Nova Scotia's position in an increasingly competitive environment.

Halifax Metro Centre (HMC): Located in the heart of downtown, HMC is the largest multipurpose facility in Atlantic Canada, serving as the region's premier venue for major entertainment and sporting events and the nucleus of major event activity in Nova Scotia. Specifically designed for versatility, and to accommodate some of the largest events, HMC offers a diverse lineup of event experiences; it remains a critical piece of major event infrastructure and is essential to event success in Nova Scotia. Annually, HMC sees an average of over 500,000 visitors at our events. Owned by HRM and operated by TCL, HMC is an integral component of HRM's downtown entertainment district, and it complements TCL's diverse event service offering.

Ticket Atlantic: Through the services of Ticket Atlantic, we provide Atlantic Canadians access to a wide variety of events, from world-renowned concerts to outdoor festivals to international sporting events. Selling tickets for up to 400 events annually, Ticket Atlantic is our region's primary ticket provider.

Exhibition Park: This facility, located on the outskirts of metropolitan Halifax, is an integral part of the community, with a focus on trade and consumer shows. While the physical structure is aging, our location and attention to customer service continues to motivate our clients to choose this facility over similar venues in the region. It attracts close to 150,000 attendees to events hosted throughout the year.

Our operations and the events we host generate significant economic activity for the province and the municipality. For the fiscal period ended March 31, 2013, total spending by event planners and delegates in Nova Scotia was $100.9 million. Of this, $68 million was new money to our economy, which generated 2,078 person-years of employment and $7.3 million in provincial tax revenues.

Priorities for 2014–2015

TCL's corporate priorities are rooted within our strategic goals. In 2014–2015, our focus will continue to be on ensuring responsible and effective operations of our current facilities, balanced with aggressive sales and marketing activity for the new convention centre and operational planning for the new facility. We will continue to act on deliberate partnerships and opportunities that will allow us to maximize the economic and community benefit of the new convention centre. Finally, we will begin planning to support the transition to the new facility.

Growth/Financial

Our financial goal in the next fiscal year is to maximize revenue potential and operational efficiencies throughout our core business. Our total combined revenue projection for 2014–2015 is $20 million (TCL $12.6 million, HMC $7.4 million), resulting in a combined position before depreciation for TCL of ($400,000) and operating income before capital improvements for Halifax Metro Centre of $241,000. This focus on a financially sustainable operating position is expected to deliver economic impact consistent with the current level. Our target will be to achieve at least $100 million in direct expenditures from the events we host.

Core to TCL's success is our ability to identify, attract, and host a range of event activity, with a focus on optimizing the event mix in our current facilities to generate economic return. All event activity must be supported by high-quality and efficient delivery, facilitated by the expertise developed through our team-centred approach.

With active sales and marketing for the new Halifax Convention Centre ongoing, our efforts will continue to centre on generating brand awareness and instilling client confidence to ensure that we achieve our booking projections. Sales emphasis will be on national and international event prospects for the first three years of operations. We will measure and communicate our progress to ensure that Nova Scotians are confident and understand the benefit of the new convention centre.

Community Partnerships

Synonymous with the Nova Scotia event experience is our community's willingness to connect and collaborate with an event's success. This partnership approach to events is critical to the success of the new Halifax Convention Centre. Ongoing collaboration with communities, key industry sectors, business, and government is a key focus for the upcoming year.

Working with local and national advocates, we will position Halifax and Nova Scotia as a premier destination for meetings and conventions. Sales activity will focus on generating national and international convention activity that reinforces Nova Scotia's academic, research, and business strengths. Additionally, key partnerships will be activated with organizations that share in the benefit of increasing the volume of new national and international visitors. Activities will focus on programs that align our resources and efforts to ensure maximum benefit from event attraction. We will continue to work closely with the diverse group of stakeholders and community representatives that have a shared interest in the success of the new Halifax Convention Centre.

People

A key differentiator of TCL and our facilities is our people, our experience, and our customer service excellence. As the region's most seasoned and capable team, TCL stands apart from competitors across the country for our expert event execution and delivery. Our internal focus will be on planning to support the organization's transition to the new convention centre, with an emphasis on reinforcing our culture. As the organization grows, maintaining attention to service excellence is essential. Investments in process enhancement and skills development are required to ensure that we continue to deliver exceptional customer service at all levels.

Infrastructure

Planning for and maintaining infrastructure is a core operational focus of TCL. Facilities that meet both customer and safety standards are necessary for continued event attraction and hosting. As we approach the 2016 opening of the Halifax Convention Centre, our critical area of focus is to ensure the long-term success of the new facility through planning for operational efficiency and effectiveness.

Our infrastructure priorities include

- mitigating the risk of aging infrastructure
- planning for operations of the new convention centre

Governance

Emphasis will continue on demonstrating TCL's commitment to a culture of accountability, organizational effectiveness, and responsible management. This includes delivering in accordance with the operating agreement with HRM for the Halifax Metro Centre, ensuring risks are mitigated, and finalizing internal control work that will complete TCL's response to the November 2012 Nova Scotia Auditor General's report.

Budget Context

TCL continues to focus on ensuring the professional and effective delivery of events that result in economic impact while identifying cost efficiencies through process and technology improvements where they are available.

Our primary focus is on attracting events that create the most significant economic return for our province. TCL generates economic benefits by bringing people together from within the region and around the world. Attracting attendees from outside Nova Scotia generates the most significant economic benefit for the province, as these attendees represent new money being spent in our economy.

TCL is committed to operating its facilities in a fiscally sustainable manner, focusing on areas for revenue growth and operational efficiency. Areas of risk to the achievement of this financial goal are the operation of our largest economic generator, the current WTCC, coupled with the operations and maintenance of an aged facility at Exhibition Park. In addition, efforts across all areas of our operations must focus on the delivery of our core business.

To remain competitive, TCL must invest in the business for the long term and lever its unique and interconnected operating model. This means that investments in marketing, human resources, facilities, new infrastructure, technology, and enhanced and new service offerings are critical. These investments must be both tactical and strategic.

Forecast financial operating results for the current fiscal year (2013–2014) for TCL are ($256,500). Forecast financial results for the current fiscal year (2013–2014) for Halifax Metro Centre are an operating income of $131,217. In 2014–2015, TCL expects to generate revenues of approximately $12.6 million. In 2014–2015, Halifax Metro Centre expects to generate revenues of approximately $7.4 million, resulting in operating income before depreciation of $241,000.

Operations Budget Summaries

for the year ended March 31

	Estimate 2013–14 ($)	Forecast 2013–14 ($)	Estimate 2014–15 ($)
Revenues	**11,987,000**	**12,974,400**	**12,614,000**
Expenses			
Event operations	4,890,000	5,461,900	5,003,400
Salaries and benefits	2,816,000	2,896,000	3,072,000
General operations	3,300,000	3,833,500	3,930,000
Taxes and insurance	981,000	1,039,500	1,008,600
Total expenses	**11,987,000**	**13,230,900**	**13,014,000**
Income (loss) before depreciation	**0**	**(256,500)**	**(400,000)**
Depreciation	(2,550,000)	(2,511,000)	(2,511,000)
Income (loss) for the year	**(2,550,000)**	**(2,767,500)**	**(2,911,000)**

Note 1: Effective 2013–14, TCL adopted the gross method of accounting for gratuities based on PSAS; the 2013–14 revenue and the event operations expenses forecasts include gratuities that were not included in the estimate.

Note 2: Forecast at January 31, 2014, per TCL's internal financial statements.

Note 3: Revenues and expenses for the Halifax Metro Centre are not reflected in this budget. The Halifax Metro Centre is a facility owned by HRM and operated by TCL under an operating agreement. All operating income or losses generated accrue to HRM, and all capital improvements are funded by the municipality.

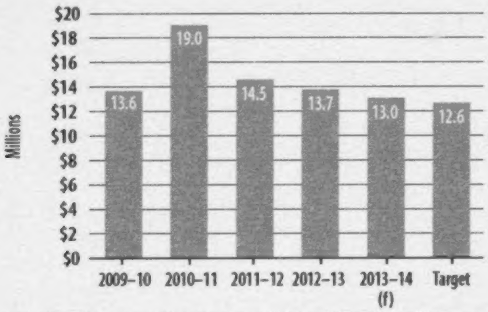
Outcomes and Performance Measures

TCL will measure performance for the year based on the specific activity and outcomes detailed below.

Financial

When evaluating financial sustainability, measurement will be revenues for TCL and HMC of $12.6 million and $7.4 million respectively, and an operating position consistent with approved budgets as demonstrated in final audited financial statements for the year. Key activities to achieve this outcome are the review of core operating areas for further efficiencies and expenditure management.

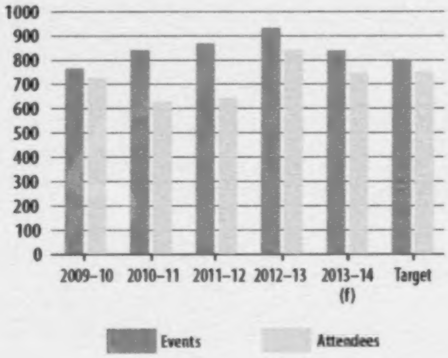
Revenues



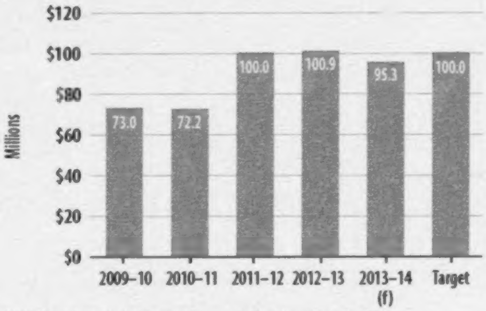
NOTES: 2013–14 revenues based on forecast as at January 31, 2014, per TCL's internal financial statements. 2010–11 revenues reflect a one-time grant of $4.8 million from Economic and Rural Development and Tourism to address accumulated operating losses dating to fiscal 2004–05. Normalized revenue for 2010–11 was $14 million.

Economic impact is best assessed by looking at previous performance in terms of total events, attendance, and resulting direct expenditures. For the upcoming year, TCL's goal is to generate consistent economic impacts as the result of hosting 800 events across our facilities, with a total attendance target of 750,000. This is expected to generate $100 million in direct expenditures.

Events and Attendance



Direct Expenditures



NOTES: Events in hundreds, delegates in thousands, direct expenditures in millions. 2013–14 data is based on actual events to end of Q3 combined with internal forecast for Q4.

Growth

TCL will continue to focus sales and marketing efforts on ensuring the success of the new Halifax Convention Centre. As detailed in our market projections, TCL is committed to delivering 142 significant international and national events resulting in over 76,000 attendees in the first three years of operations of the new facility (2016–2019). At the time of writing, TCL had secured a total of 16 events and 12,025 delegates during the 2013–2014 fiscal year. As the result of activity in 2014–2015, TCL is targeting an additional 29 national and international events with projected combined attendance of approximately 15,000. Emphasis will be on securing events for the first three years of operations of the new facility.

Infrastructure

To ensure the effective transition to the operations of the new convention centre, TCL will focus on operational readiness, pending direction by the Province of Nova Scotia and HRM. The key measure of this activity will be completing the implementation of the first year of the operational readiness program.

Governance

TCL is committed to a culture of accountability and organizational effectiveness. TCL will focus on operating the Halifax Metro Centre in full compliance with the facility operating agreement. This priority will be measured through activities reported against the HRM approved HMC business plan.

TCL will also finalize internal control activities, completing its response to the November 2012 Nova Scotia Auditor General's report. Performance will be measured based on completing the activities detailed in the board of directors approved activity plan.

Crown Corporation
BUSINESS PLANS

FOR THE FISCAL YEAR 2014–2015

Waterfront Development Corporation

Business Plan 2014–2015

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Message from the Minister

The waterfronts of Nova Scotia are one of our great strategic advantages. How we develop and manage them can strengthen our global connections and create dynamic places that attract investment and people from around the world.

We rely on Waterfront Development to maximize the potential of these lands. This is a process of targeting sectors in our economy for which waterfront land is critical for business growth. We need to exercise foresight by identifying opportunities where Nova Scotia's waterfronts give us a competitive advantage and by implementing strategies that harness the full strength of these important economic drivers.

Waterfront Development is doing just this. By investing in key infrastructure for our ocean sector, tourism, and urban development, this Crown corporation is providing a platform for businesses to grow. This year, we anticipate new construction projects on our Halifax and Lunenburg waterfronts and new events to showcase Nova Scotia, all of which will spur private sector activity.

Nova Scotians are justly proud of their maritime heritage. With smart thinking and a strong partnership ethos, Waterfront Development will help us build upon these traditions by leveraging our waterfront assets to foster economic prosperity across the province.

The Honourable Michel P. Samson
Minister of Economic and Rural Development and Tourism

Message from the Chair and the President

Nova Scotia's economic growth depends on our collective ability to harness the province's natural strengths. Waterfront Development is proud to shoulder the responsibility of developing two of the greatest among our Nova Scotian attributes: the waterfronts of Halifax and Lunenburg Harbours.

We have set in motion a series of development projects that enable and support the growth in our marine and ocean sector, city building, and tourism. These projects will not only create jobs in the construction phase but also provide long-term business activity across Nova Scotia.

Our waterfronts present Nova Scotia with the possibility of connecting our people and businesses to global opportunities. We sit in a strategic location on the Atlantic coast, our cities and communities are among the most attractive places to live in the world, and we are increasingly engaging in innovative business practices. We can leverage this activity to attract more people and business to our shores.

We believe this work builds upon strong maritime traditions, transforming what worked in the past into new and modern approaches to economic development. Through active investment and partnership in economic sectors with bright futures, we can create partnerships with businesses that enable them to grow and prosper, all the while ensuring that we maximize benefits for all Nova Scotians.

To all our partners who have helped us to transform these waterfronts into zones of activity and opportunity, thank you. We look forward to even greater things ahead.

Colin MacLean
President & CEO

John Holm
Chair

Mission

Waterfront Development Corporation Limited harnesses the waterfront's potential by developing ideas, infrastructure, and experiences that stimulate business investment and community pride.

Vision

Through our collaborative approach, we will create a new collection of animated and well-connected waterfront destinations that capture people's imagination and distinguish us among the world's greatest waterfronts.

Mandate

Waterfront Development Corporation Limited exists for the purpose of redeveloping and revitalizing the lands surrounding Halifax Harbour and any other lands designated by its shareholder, the Province of Nova Scotia.

Guiding Values

Waterfront Development Corporation Limited is a provincial Crown corporation, carrying out a public mandate in a private sector environment. In fulfilling our public obligations, we will exhibit the following values in addition to the compassion, courage, and initiative that characterizes past successes.

Commitment: Forge and sustain partnerships that generate positive economic and societal returns.

Accountability: Uphold the public's trust by ensuring access to the water's edge, fiscal accountability and involvement in the dialogue about waterfront development, and transparency with our plans.

Flexibility: Take the extra step to understand and champion business partners who share our values and vision for the waterfront.

Excellence: Be a strong and knowledgeable voice on economic development, planning and design, partnership models, and waterfront development.

Foresight: Generate for Nova Scotians a positive financial return to reinvest in a continuous upward spiral of waterfront opportunities.

Sustainability: Create the capacity for future waterfront uses and enjoyment by harmonizing our economic goals with environmental sustainability.

Planning Context

As a small economy, Nova Scotia's economic performance is strongly influenced by others. Forecasts suggest that world-wide economic growth is expected to be higher in 2014. Economic recovery has taken a firmer hold in Nova Scotia's traditional markets of the United States and Europe. Both the Canadian and Nova Scotia economies are expected to have stronger growth in 2014 than 2013. Export growth will be aided by recovery in American demand and depreciation of the

Canadian dollar. The lower Canadian dollar makes Nova Scotia more attractive in terms of travel and locating business activity, such as conferences and filming, here.

Within the government planning context the release of the report of the Nova Scotia Commission on Building Our New Economy (Ivany Commission) and the independent review of provincial economic development assistance programs — and the government's response — will affect economic development in Nova Scotia. At the time of writing the full implication of what this means for the operations of Waterfront Development is not known, so this business plan is based on the status quo, which may change as we respond to government's direction.

There are, nevertheless, clear themes that Waterfront Development needs to plan for and seek opportunity in:

1. Halifax's economy needs to be leveraged for the benefit of business and communities around Nova Scotia.
2. Nova Scotia's coastline, maritime industry, and research capacity should be sources of innovation and growth.
3. Environmental sustainability can create economic opportunity.

Waterfront Development can provide leadership by focusing our strategies in three areas.

1. Ocean and Marine

> The ocean is suddenly a frontier of development and growth. Ambitious government initiatives including the EU's recently announced Action Plan for the Atlantic, and China's extensive plans for the marine economy suggest that new opportunities abound. Biotechnology, renewable energy, seabed mining and aquaculture sufficient to feed the world are all imminent possibilities. We are, as one advisor to the Chinese government rhapsodizes, entering "a golden age for the marine economy."
>
> *Plenary panel: The ocean as the new economic frontier?*
> *World Ocean Summit 2014*

Some of Nova Scotia's greatest accomplishments have come from work in sectors that are all part of the ocean economy:

- aquaculture and fishing
- boat and shipbuilding
- cables and connectors
- defense and security
- marine recreation
- ocean energy and minerals
- ocean science and observation
- ports and marine transportation
- robotics and submarines
- weather and climate science

There can be few places in the world that match the strategic advantages Nova Scotia has in the ocean economy, and our goal is to work with our existing partners to focus our property decisions on strategies that will accentuate our waterfront as a critical element accelerate business growth in the ocean economy.

2. City Building

> Metropolitan communities, here and abroad, represent the true economic geography. They agglomerate the world's talented workers, innovative firms and risk-taking entrepreneurs, and concentrate unique assets and industry clusters that define regional competitiveness and drive national economies. They are also the undisputed vehicles for environmental sustainability and social inclusion.
>
> *Bruce Katz*
> *Vice President, Brookings Institution*

We believe that *lifestyle* is a key element of a strong economic strategy. Well-designed cities or towns are attractive, safe, inclusive, and invigorating. They are places that attract people to live, create diversity, and spur entrepreneurial activity. They become magnets for growth, population-wise and economically.

Halifax and Lunenburg are two places recognized internationally as attractive and vibrant places, and both are fundamentally built around their world-class waterfronts. Our developments have the ability to position Halifax and Lunenburg on an international stage. We can create the opportunity to set new standards for environmental sustainability. Our approach to design can reduce the impact we have on our environment and coastlines, and it can facilitate the introduction and experimentation of Nova Scotian businesses with new products and processes.

3. Tourism

> Harborside Halifax is the biggest city in the Maritime Provinces by far, yet it doesn't *feel* big at all — in just the way that Boston and San Francisco don't feel like huge cities. It actually feels like a collection of loosely connected neighborhoods, which is in fact what it is; you often forget this is one of the central economic engines of eastern Canada.
>
> Lunenburg is just plain lovable, compressing everything you came to see in Nova Scotia into one tidy package: ocean tides, fishing boats, terrain, architecture, museums, and fish. It's one of Nova Scotia's most historic *and* most appealing villages, a fact recognized in 1995 when UNESCO declared the old downtown a World Heritage Site.
>
> *Frommer's*

Nova Scotia tourism revenues totalled over $2 billion in 2010 as we welcomed 2.1 million visitors to Nova Scotia. The Halifax waterfront and Lunenburg are the two most visited destinations for those visitors, and we have seen the positive impact of connecting the two places in our strategies.

Through our efforts with the Tall Ships Festival, we have been able to leverage the port of Halifax to entice ships to travel to ports around Nova Scotia. It is an excellent example of how the strength of our major city can spur economic activity around the province. With the new Halifax Convention Centre on the horizon, the leadership of the Nova Scotia Tourism Agency, and the business ventures we are creating with our industry partners, we should be able to attract more people to the coastlines of Nova Scotia to stay longer and return more often.

Strategic Goals

Stimulating Private Sector Investment

We will leverage the strategic assets of our waterfronts to stimulate private sector investment and economic growth. This is accomplished by developing waterfront infrastructure that is marketed for commercial opportunities in the sectors we have identified as growth areas for Nova Scotia's economy:

- Marine and Ocean
- City Building
- Tourism

Infrastructure and Sector Growth

We will contribute to economic growth by investing in infrastructure that contributes value to these three sectors and enables the development of clusters that build upon Nova Scotia's traditional strengths.

Financial Self-sustainability

We will sustain this economic growth by creating a financially self-sustaining organization that is able to generate profits that are continuously reinvested in maintaining and developing new infrastructure.

Strategic Outcomes

Our strategic goals will, over the period of 10 years, contribute to the achievement of the following outcomes:

1. Nova Scotia will experience a faster rate of business growth in the Marine and Ocean sector.
2. Halifax will experience a faster rate of population growth and a greater level of commercial real estate investment.
3. Nova Scotia will attract more tourists.
4. Waterfront Development will be a financially self-sustaining organization, with all its revenue generated from its commercial activity.

Core Business Areas

We have four core business areas:

1. Waterfront Planning

Waterfront Development engages with public and private sector organizations, as well as with the public at large, in planning projects that contribute to the development of world-class waterfronts.

2. Infrastructure Development

Waterfront Development's multi-year development projects attract investment and maintain the centrepieces of our waterfront.

3. Commercial Marine Real Estate Management

Waterfront Development owns and manages a waterfront real estate portfolio with properties in Dartmouth, Bedford, Lunenburg, and Halifax. These properties are consistently among the most visited places in Nova Scotia, by land and by sea, and are a touchstone for the Nova Scotia experience for residents and visitors alike.

4. Business Development

Waterfront Development makes our land and marine assets a platform for private sector investment, enabling businesses, large and small, to bring their products and services to the world.

Human Resource Strategy

Waterfront Development is a knowledge-based organization, with specialization in commercial real estate, urban planning, construction, engineering, landscape design, business accounting, and public consultation.

It is vital that we invest in the learning and growth of our people so that we can continuously improve the work we do on behalf of the public.

The human resource priorities are

1. recruitment of new talent
2. managing growth

Marketing Strategy

The waterfronts of Halifax and Lunenburg are the two most visited destinations in Nova Scotia. With new development projects coming to market, substantial public space enhancements planned and already completed, and a broad collection of activities and events to enjoy, the number of residents living and working and enjoying activities across all of our waterfronts will continue to increase.

All of this leads to business opportunities and the need to engage our stakeholders and publicly communicate the goals and timelines of our work.

Our marketing promotions plan serves as a touchstone for promoting and communicating our work:

1. Enhanced engagement of waterfront stakeholders for more efficient investment and better results.
2. High-quality events and programming across our waterfronts that align with our objective of accessible, high-quality entertainment and activities representing the best of Nova Scotia.
3. Investment in our website (with interactive, informative pages that are enticing and easy to use) and signage on all of our waterfronts to guide the waterfront experience and provide key partner information.

Budget Context

Financial Management

Fiscal 2013–2014 saw the corporation achieve its financial objective of breakeven operating results, before amortization of grant-funded assets. Waterfront Development Corporation (WDC) anticipates a similar year in fiscal 2014–2015, with slightly elevated revenues offsetting expense pressures, to result in another breakeven forecast before grant-related items and a one-time writedown due to scheduled construction.

WDC anticipates a commencement of construction rent for the Cunard development in the final quarter of fiscal 2015. As this development comes on stream, the corporation will use the incremental cash flow to further its strategic goals. This includes engaging stakeholders in the planning of other development opportunities and creating additional waterfront destinations with economic impact. WDC has built a strong team that have the skills required both to proactively manage the existing infrastructure and to plan/design the next great developments and accompanying public space components.

The amortization expense line on the operating budget represents the systematic expenditure of self-funded capital assets over their estimated useful life. For fiscal 2014–2015, this exceeds $800,000 and is indicative of significant revenue (from parking and rent) being reinvested into waterfront infrastructure over the past number of fiscal years. WDC will continue to use its cash flow from operations to invest in infrastructure that enhances safety, accessibility, and overall vitality of the waterfront experience.

WDC has been a central partner in developing a Harbour Land Strategy for the lands surrounding the Halifax Harbour. Part of this strategy involves securing land suitable for industrial use and thereby providing an option to capitalize on future economic drivers such as the National Ship Procurement Strategy. This and other initiatives have been contemplated in the 2014–2015 budget. As these and other projects are advanced in the coming fiscal year, we anticipate our historic financial strength to accelerate and lead to more exciting opportunities for all stakeholders. The 2014–2015 budget is reflective of this building momentum.

Budget Context

	Budget 2013–14 ($)	Forecast 2013–14 ($)	Budget 2014–15 ($)
Revenues			
Rents	1,403,000	1,371,590	1,483,000
Parking	2,000,000	1,951,405	2,000,000
Other income	433,000	440,438	468,400
Grant income	276,000	276,000	276,000
Total revenue	**4,112,000**	**4,039,433**	**4,227,400**
Operating expenses			
Insurance	100,000	100,000	110,000
Repairs & maintenance	306,100	275,727	335,800
Security	166,500	156,500	166,500
Utilities	156,800	160,800	163,400
Various other	381,700	442,849	374,100
Total operating expenses	**1,111,100**	**1,135,876**	**1,149,800**
Income from property	**3,000,900**	**2,903,557**	**3,077,600**
Development expenses	**170,000**	**170,000**	**165,000**
Signature Event revenue	—	100,000	—
Signature Event expense	—	100,000	—
Total Signature Event	**0**	**0**	**0**
Lunenburg revenue	185,000	233,872	197,000
Lunenburg grant	374,200	374,200	374,200
Lunenburg expenses	559,200	463,439	571,200
Total Lunenburg	**0**	**144,633**	**0**
Administration expenses			
Amortization	784,000	765,644	826,800
Interest on long-term debt	30,000	22,000	30,000
Office, consulting & general	550,900	525,252	542,400
Salaries & contracts	1,255,000	1,226,138	1,302,400
Staff expenses & benefits	211,000	194,523	211,000
Total administrative expenses	**2,830,900**	**2,733,557**	**2,912,600**
Surplus before other items	**—**	**144,633**	**—**
Other items			
Capital grant amortization	(106,000)	(98,500)	(98,500)
Cunard lot write-off	—	—	(130,000)
Capital grant (Cunard)	—	—	150,000
Capital grant (Queen's Landing)	—	—	4,250,000
Annual surplus (deficit)	**(106,000)**	**46,133**	**4,171,500**

Outcomes and Performance Measures

We are reconfiguring our performance measures to align with the sectoral strategic goals we have adopted and to track the economic impact of our work. This will require the development of new data-gathering techniques, which we are embarking on with our colleagues in the Department of Economic and Rural Development and Tourism and the Department of Finance.

Core Business Area

Outcome	Measure	Ten-Year Target	Result 2014–15
International Centre for the Marine and Ocean Economy	Revenue growth for business partners / tenants	Data and target to be developed with province	TBD
Halifax growth	Economic impact of waterfront infrastructure projects	Data and target to be developed with province	TBD
Tourism destination	Out-of-province visitors to waterfronts	Data and target to be developed with province	TBD
Financial self-sustainability	% revenue guaranteed by commercial activity	100%	85%

NOVA SCOTIA